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No. 2179

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PROMINENT PERSONS PLAN TO BLOCKADE MISSILES

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 28 May 83 p 5

> [Text] Following the example of the British "Committee of 100," numerous well-known religious leaders, artists, journalists, academicians, lawyers, labor leaders and politicians are planning to blockade missile sites to protest against the stationing of new U.S. medium range missiles. Coordinator of the action is the secretary of the committee for constitutional rights, Klaus Vack. He was interviewed by our editorial staff member Anton-Andreas Guha.

[Question] Are even the "angry old men" of the West German peace movement now going to sit on the streets and in front of military vehicles?

[Klaus Vack] Not only men, but Ingeborg Drewitz, Inge Aicher-Scholl (sister of the Scholl sisters), Barbara Ruetting, Dorothee Soelle, and others will participate, also Heinrich Albertz, Ulrich Albrecht, Heinrich Boell, William Borm, Volkmar Deile, Helmut Gollwitzer, Guenterr Grass, Walter Jens, Robert Jungk, Oskar Lafontaine, Alfred Mechtersheimer, Horst-Eberhard Richter, to name only a few.

[Question] What is the objective of the action?

[Answer] In view of the atomic threat we consider non-violent blockades and actions of civil disobedience as justified. All indications are that the Geneva negotiations are not serious, and that the USA has already begun preparations for the stationing of Pershing II and the so-called cruise missiles by this fall, with approval of the Federal Government. This, by the way, against the will of the majority of citizens in our country.

[Question] Leading politicians interpret such actions as the planned blockade as use of force.

[Answer] To criminalize non-violent actions or to intimidate participants by cost assessment regulations means to restrict democratic rights. A government, that uses its monopoly for the use of force to restrict democratic rights must be taught to recognize the legitimacy of non-violent forms of civil rights altercations, as they were developed from Gandhi to Martin Luther King.

[Question] Could the blockage action not easily develop into a "show," which could evaporate without any tangible results?

[Answer] Obviously we would like to create publicity. This is the purpose of any demonstration. We also intend to make propaganda among the population for the form of non-violent blockage demonstrations. Every man and every woman who takes part in a non-violent action must individually make the decision after thorough consideration. Non-violent resistance requires the greatest possible courage a democratic citizen is capable of mustering. We also want to strengthen those, who are ready for non-violent and civil disobedience, and protect them from public defamation. We do not want to leave the risks of non-violent resistance only to the younger generation.

[Question] Do you base your actions on the right to resist as stated in the Constitution?

[Answer] No. We do not equate political resistance against the atomic arms race with resistance in defense of democracy against the actual danger of a dictatorial assumption of power. We do not appeal to the right to resist, but to the basic right of freedom of demonstration, which is being more and more limited. We act in the sense of the preamble of the Constitution, which obligates our people to serve "world peace."

[Question] Will there be violent clashes and demonstrations this coming Fall?

[Answer] We will remain strictly non-violent, even in extreme situations. Our principle is: we can work for peace only with peaceful means. But we too are concerned that there may be escalations. We are setting an example with carefully planned non-violent actions. We hope that this will be understood by all demonstrators. From the government we must demand that stationing of new U.S. atomic missiles in the Federal Republic will not be permitted and that it take serious steps towards disarmament together with the peace movement.

7994
CSO: 3620/379

MUMCU FURTHER EYES ARMS SMUGGLING, BACKLASH OF REPORTS

Istanbul CUMHURIYET in Turkish 5 Jul 83 pp 1,11

[Article by Ugur Mumcu in the column "Observations": "Fairhaired Avni..."]

[Text] In a news item titled "Contraband godfather has a good time" the HURRIYET wrote yesterday the Avni Karadurmus, known as "Fairhaired Avni", establishes companies under the alias "Yasar Atilla Musullu" and gets the best out of life. It also gives the information that Fairhaired Avni, who shuttles between Italy, Spain and Switzerland under his assumed name, owns ships under the Panamanean flag and that he recently founded a tourist agency which sends tourists to Turkey.

Fairhaired Avni is far from unknown to CUMHURIYET readers. Smuggler Ibrahim Telemen, in his letter of denunciation, describes this notorious trafficker as follows:

-(Lucky) Abuzer works through a network system. From the shores of Ayvalik Mustafa Aydemir of Sindirgi, Fairhaired Avni, Hayrettin Yagci and from the far reaches of the Black Sea area the brothers Ismail and Dursun from Samsun and some influential people from Akcakoca...

Like Fairhaired Avni, his friend Hayrettin Yagci also changed identities and disappeared.

The address of Avni Karadurmus is known. If contacts are established with Swiss authorities "Fairhaired Avni" could be brought to Turkey within 15 or 20 days. Like Mehmet Cantas, who is held under arrest by Trento examining magistrate Dr. Palermo, Avni Karadurmus also has a wealth of information regarding arms trafficking in the direction of Turkey. The hundreds of pages of testimony from Bekir Celenk, who lives at present in Sofia under a kind of "surveillance" or "close-watch regime", and the extensive confessions of Osman Imamoglu, known in the underworld as "Osman from Cayirova", will provide without any doubt important clues on the subject of "godfathers" who have remained hidden until now and on their "graft companies."

Among the documents sent from Trento to the Ankara Martial Law Command, one can also find the names of some civil servants who cooperated with the smuggling gangs. Is this "information"? No sir, it is just an intuition.

For instance, should an investigation of Bekir Celenk's close friends be carried out, it would suffice to amaze people. If it becomes clear with what persons, in what functions, Bekir Celenk had established "business ties" some time ago, the

scope of those businesses will also become evident. Yes, the files are very, very interesting

We have been reporting for years about trafficking. Every line we publish is based on documents, files and facts. Every line we publish is also confirmed after a while by official declarations.

That is probably our mistake...to write the truth, to write about facts and to write about them before everybody else...

And because we do this, we are faced with heavy attacks from various quarters. We omit the "death threats." All journalists who write about the underworld are faced with the same danger. We do not exaggerate or assign any importance to those threats.

Now let us list the other attacks, beside the above:

Because of our articles on the underworld and the armed right wing, we were faced with accusations such as "Soviet KGB agents" by those who, oh how undeservedly, label themselves as "nationalists;" as for those who view themselves as "new mandate" "international leftists" and "proletarian revolutionaries" they aimed against us accusations such as "America's lackeys and CIA agents."

What were we guilty of?

We were guilty of publishing documents and exposing the "New Internationalism" which stretches from the capitalist arms monopolies to Bulgaria's state owned companies... Of saying that all this "takes place under the eyes of the CIA and the KGB," of attempting to get to know and to present the dark world which lies behind the merciless terrorism in our country..

Following the series of articles titled "The Revolutionaries of an Era Tell" which we published before the 12 September, in an attempt to deter "adventurist leftist revolutionaries" from their bloody and mistaken path, the distribution of our paper was prevented by force of arms. We have been endlessly faulted with every possible appellation and its implications, drawn from the archives of "ideological fetishism", such as "followers of the bourgeoisie", "pacifists", and "revisionists."

While we were writing about people such as Fairhaired Avni, Hayrettin Yagci, Abuzer Ugurlu, Bekir Celenk, Mehmet Cantas, Mehmet Zeki, Cayirova Osman, Of Ismail, they went about swinging their arms and their hands.

, Today, just as in the "Ipekci murder", if an inquest was reopened into the "Telemen file" light would be shed on a host of facts which remained in shadow. But were there any obscure points in that occurrence? On the days when the "god-fathers' operation" was to be carried out, was there someone who secretly informed the underworld? Yes, was there such a one?

Of Ismail, Fairhaired Avni, Bekir Celenk, Mehmet Zeki, Mehmet Cantas, open that box and see how many more "surprise names" will come out.

12278

CSO: 3554/366

ENERGY DEVELOPMENT PLAN, FUEL IMPORTS

Nicosia KHARAVGI in Greek 23 Jun 83 p 1

/Excerpt/ Minister of Commerce and Industry Andreou announced yesterday in the House of Representatives that the Cypriot Government has discussed with the World Bank a new energy development plan for the purpose of developing an overall energy policy up to the year 2000.

Mr Andreou, who was speaking within the context of the issue of the government's energy policy that had been brought up by AKEL Deputy Diglis and Rally Deputy Ierodiakonou, said that the plan included a study for energy programming and experimental projects in the fields of meteorological cells, solar heating and cooling, solar pools, biomass, wind-powered energy, etc. The World Bank will provide a loan of 3.6 million dollars to the Ministry of Commerce and Industry for this purpose. The study for energy programming, that began in April 1983, will be completed by the end of 1984. The World Bank will also provide a loan of 6.6 million dollars to the Electricity Authority for improvements to its installations and for increasing its capacity.

Value of Petroleum Products

Mr Andreou at first referred to the value of imported petroleum products which in 1973 amounted to 8.8 million pounds and represented 5.6 percent of overall imports and 17.2 percent of domestic exports. In 1982, their value amounted to 117 million pounds or 20.2 percent of overall imports and 57 percent of domestic exports. In 1982, a total of 960,000 tons of petroleum products were imported that included 350,000 tons of fuel oil for the Electricity Authority and 100,000 tons of fuel oil for two cement plants.

Consumption of fuel (power) is broken down as follows: households and businesses, 28 percent; industry, 41 percent; agriculture, 4 percent; transportation, 26 percent; and other fields, 1 percent.

5671
CSO: 3521/375

BRIEFS

DEKELEIA A PLANT CLOSURE--The Electricity Authority board has decided to shut down the "Dekeleia A" electric power plant which it has described as being antiquated and uneconomical. It also decided that deliberations should begin at once with the AIK /Cyprus Electricity Authority/ trade unions to confront the surplus personnel problem. An announcement yesterday by the Electricity Authority board mentions that it has made known the above decisions to the trade unions that had announced a 24-hour strike at the Dekeleia plants for the purpose of making demands by the personnel. The board described the strike as irregular because, as it mentioned, procedures provided for by the industrial relations code were not observed. /Text/ /Nicosia I SIMERINI in Greek 24 Jun 83 p 12/ 5671

CSO: 3521/375

DEMAND FOR PETROLEUM PRODUCTS FOR 1ST-QUARTER 1983

Rome RASSEGNA PETROLIFERA in Italian 30 May 83 pp 497-499

[Text] The Italian oil market is still in a disappointing slump and the trend seems to point toward more decline, below the level that only last year was assumed to be the lowest possible. Results for first-quarter 1983, far more significant than the monthly figures, show some improvement in the downward trend, although it is still there, and the numbers show it to be anything but neglible. The crucial factor will be consumption figures for the coming months, which last year showed an abrupt drop, only partially attributable to seasonal factors. Should that recur, with a continuation of the average percentage declines we have seen thus far, it might foreshadow further contraction in demand, despite the presence of some positive factors. There is no dodging the fact that the world market recently has been fairly advantageous to the consumer countries in a number of ways that could not have been predicted only a short time ago. The decline in crude oil prices has substantially slowed, or delayed, a set of contingency measures on possible replacements for petroleum products. Specifically, in Italy we might cite the slippage of nuclear programs, the marked slowdown in switching to coal, and the stability of the natural gas market. These have combined to produce survival of a market for petroleum products which a few years ago was expected to shrink. Also becoming part of this context is an extremely favorable dynamic pattern in the prices of crude, which, along with a drop of 9 to 10 percent in dollar costs, produced, for the first time ever in March of this year, a decline in lire prices, despite the behavior of the exchange rate. If, given this context, only in part passed along to Italian consumers owing to taxation's absorbing whatever margin there was for price cuts, there is still a downward trend in demand, that fact should be interpreted as a cogent incentive for a decisive restructuring of consumer behavior.

Furthermore, we may expect, in the short and medium term, a worsening of the situation as the programs to replace petroleum products with alternative energy sources are gradually implemented.

Indications of this sort would seem to be already under way with reference to the change of hands of some refining operations (Amoco, Gulf, and Chevron are now negotiationg) and some reduction of activity (Esso). What was stated above about the trend in consumption finds confirmation in the following data:

Table 1

	Jan 83	Feb 83	Mar 83
Total consumption (in K Tons)	8,269	8,253	8,307
% Variation from 1982 levels	- 7.6	- 4.5	- 5.3
% Variation for the period % of 1982	- 7.6	- 6.1	- 5.8

In view of stable consumption and negative variations in the same months of 1982, some improvement over the period can be seen. Table 2 shows the details of consumption by product and principle area of use, with reference to the first 3 months of 1983 and the first quarter as a whole. With the single exception of the demand for bitumen and petrochemical requirements, all sectors and products show downward variations in 1982. While the drop in gasoline for automobiles, rather worrisome while it was at its deepest, seems to have stabilized, we now see a drop in diesel fuel for automobiles. This product had, until now, upheld the demand in the transport sector, the only one to expand until the end of 1982. It is abundantly clear by now that, in the current price picture, we can assume that the shift to diesel fuel for automobiles is practically at an end. Decidedly negative, even for the relatively mild weather, is the demand for heating oil, as shown by the containment of petroleum consumption, that of diesel fuel and, at lower levels, that of fuel oil, For the latter, the cutoff in demand growth over the first 2 months for power plants brought a reduction in such consumption of about 17 percent from March 1982, and hence something like a 10-percent drop in total consumption of petroleum products. There is a persistent levelling-off in the demand for bunkering, while the lower levels of consumption and declines in refining can be attributed to the processing slump. As you see, drawing down stocks has led to some changes in the percentage drops over the first months of 1982, with initial worsening followed by improvements in March. Analysis of petroleum products consumption in first-quarter 1983 by sector of utilization yields the following results:

In the overall negative picture revealed only one sector -- that of non-energy-connected industrial uses -- provides a contrast, though amounting only to 10 percent of the total, and displaying gains for 1982 amounting to a paltry 3.1 percent, less than had been predicted for the first half-year alone. Coupled with lower

TABLE 2: ITALIAN DEMAND FOR PETROLEUM PRODUCTS

KEY:

A. Product
B. January 1983
K-tons --- % Variation
C. February 1983
K-tons --- % Variation
D. March 1983
K-tons --- % Variation
E. January-March 1983
K-tons --- % Variation

(*) Variations refer to corresponding period in 1982.

(°) Minus sign (-) indicates drawdown of reserves.
Plus sign (+) indicates reconstitution of reserves.

1. Liquefied petroleum gas
2. Automotive gasoline
3. Agricultural gasoline
4. Fuel oil for heating and other purposes
5. Fuel oil for agricultural use
6. Aviation fuel
7. Automotive diesel fuel
8. Heating oil
9. Farm machinery fuel
10. Marine engine fuel
11. Power plant fuel

12. Total Fuel Distillates

13. Fuel oil for power plants
14. Fuel oil for industrial use
15. Fuel oio for heating

16. Total Fuel Oil

17. Lubricants
18. Bitumen
19. Other minor products
20. Total petrochemical requirements

21. Total International Transactions

22. Bunkering
23. Consumption and spills
24. Variations in reserves held by consumers/distributors (°)

25. Total Consumption

consumption, the declining demand for processed crude among foreign buyers (down about 33 percent from the 1982 quarter) brought with it a 12.4-percent decline in activity, with plant capacity utilization down around 58 percent: that level seems to be endemic in the sector, and constitutes a sharp incentive to move ahead with various plans for redimensioning. Raw material processed by the refineries in the first 3 months of 1983 is estimated as follows:

-- Millions of tons of crude	18.9
-- Millions of tons of semi-processed crude from abroad	1.1
TOTAL:	20.0

About 2.8 million tons, however, were processed for foreign buyers. Imports of finished petroleum products into Italy have contributed to the slowdown in refinery operations; according to the Petroleum Union, imports came to 4.8 million tons, an increase of around 7 percent over the amount imported in first-quarter 1982. As for the availability of refinery by-products, it came to 23.3 million tons, distributed as follows:

By way of response to a total of 25.1 million tons, there was a stock drawdown of around 1.8 million tons, at the refinery and primary distribution levels. As the preceding table shows, it is estimated that in first-quarter 1983 there was a further drawdown of stocks on the part of secondary dealers and consumers of about 1.5 million tons, reflecting the seasonal nature of demand. Yet another unwelcome signal for the market is the performance of exports, which were off by around 5 percent from the same perios in 1982, after a more promising start. On the whole, the Italian oil market is shaping up as not only still slipping, overall, but with a rising tide of imports and declining demand for exports. This hits the refining sector a wicked blow, especially those less integrated companies with downstream activities or specializing in only a handful of products. Take Amoco, which recently changed hands: it concentrates heavily on supplying fuel oil for heating purposes, which is not a very profitable product and is very vulnerable to import trends. In the first quarter alone, in fact, imports of fuel oil for heating purposes rose by 46.6 percent. All this about the cost of imported crude emerges more clearly with the help of some numbers. With the price at about $235 in January, it went to $233.5 on the first half-year and to $230 in the first quarter, with a mean decline of around 9 percent from the same periods in 1982. Even allowing for the exchange rate, the lire cost per ton of crude declined from near 323,000 in January-February to 321,000 for a quarterly average, with increases over the same months of last year of 1.8, 1.3, and 0.5 percent. In first-quarter 1983, the lire cost of crude oil

TABLE 3

	Million Tons	% Variance '83:'82
Agriculture and fishing	0.3	- 7.9
Transport (surface and air)	5.8	- 4.8
Civilian/domestic uses	6.0	- 8.6
Industry (energy production)	2.8	- 3.2
Industry (non-energy uses)	2.3	+ 1.7
Marine bunkering	0.8	- 31.6
Electric power generation	5.4	- 3.1
Consumption and losses	1.8	- 2.1
TOTAL	24.8	- 5.8

TABLE 4

Placements on domestic market	21.1	(-4.3% from 1982 (million tons)
Bunkering	0.8	(-31.6%)
Exports	3.2	(-4.7%)

TABLE 5

	1982	1983
High-octane gasoline	960-995	1165
Diesel fuel	456	579-575 (March)
Unleaded gasoline	640	784
Heating oil (Milan)	440	549-534 (March)

was just about the same as in 1982 (over the same period), accompanied by far higher prices to the consumer. By way of example, we show a comparison here between first-quarter retail prices for 1982 and 1983 paid for selected products (in lire per liter).

6182

CSO: 3528/157

REPORT ON EXPLORATION, PRODUCTION OF HYDROCARBONS IN SICILY

Rome STAFFETTA QUOTIDIANA PETROLIFERA in Italian 6 Jun 83
pp 9-11

[Report entitled "Hydrocarbon Exploration and Production in the Sicilian Region and the Sicilian Offshore Area," delivered in early June at Palermo by the deputy director for Agip SpA's Management Activity, Italy division, Giancarlo Ristori, at a press conference called by the company in the Sicilian capital.]

[Text] In 1982, the nation's delivered output of natural gas came to 13.3 billion cubic meters, 12.1 of it from Agip and 1.2 from other oil companies.

This means that Agips's production alone sufficed to meet 45 percent of the nation's natural gas requirements, which comes to about 26.8 billion cubic meters. In that same year, Italy's output of crudes and distillates came to around 1.8 million tons (1.35 million tons of it produced by Agip). Consequently, our production of crude oil covered only 2 percent of the nation's consumption, which in 1982 was around 90 million tons.

These domestic hydrocarbon production-to-consumption ratios will continue substantially unchanged through 1983; beginning in 1984, and to a greater extent in subsequent years, there will be significant changes in the ratios. As for natural gas, the new moves to secure supplies from abroad, forecasts of national consumption, and the guidelines laid down in the National Energy Plan combine to portend a decline in percentage terms in the role of domestic production. Please note the emphasis here on "percentage terms": in addition to covering a significant share of the market, Italian production will prove to be a key factor in managing seasonal shifts and strategic reserves.

When it comes to oil, it is fair to predict that, in the years ahead, there will be greater coverage of demand from national sources, even though the gap between national production and imports will remain wide indeed. It is realistic to assume that, beginning around 1986 and 1987, Italian petroleum production may reach levels on the order of 5 to 6 million tons per year. That assumption takes into account both sources already in production and their remaining reserves as of those dates, and

of the sources discovered in recent years but not yet producing; as for the latter, studies and projects are already under way and in various stages of advancement in the area of the infrastructures which will be needed for their exploitation.

About two thirds of Italy's petroleum production will be coming from Sicilian offshore and onshore wells by 1986. Agip, which now boasts a significant presence in production activities in both these areas, will participate in the major development projects that will make it possible to achieve the production levels just mentioned.

Sicily's Geological Provinces

In the oil and gas business, production represents only the final phase in a complex undertaking spanning several decades; it may prove enlightening here to recall briefly the massive commitment Agip has devoted to oil and natural gas exploration in Sicily, and its record of achievement there. The Sicilian Region and the sea around it consists of three distinct geological provinces of particular promise in the search for oil. Each differs from the others in geological and mineral features, and each has its own peculiar exploration requirements.

. Northeastern Sicily; here we find a remarkably extensive Oligo-Miocene sand formation (Collesano) which is the prime target for exploration; this formation contains methane gas, now flowing at the Gagliano, Bronte, San Nicola, Feudo Grande, Miraglia, and Casalini fields.

. Southeastern Sicily and Its Offshore Area; here the target is the Mesozoic limestone series. Major exploration areas here are the Triassic dolomites in the Taormina Formation, where oil has been found in the Gela, Ragusa, Ponte Dirillo, Gaurone, and Piano Lupo fields, and the liassic limestone platform beneath the Inici Formation, which holds oil now being tapped at the Cammarata-Pozzillo, Perla, Vega, and Prezioso fields.

. Offshore Fields in Western Sicily (Banco Avventura); here the Exploration target was the Serravalliani (Middle Miocene) detritic limestones, where oil has been found in the Nilde and Norma fields. In addition to these prime targets, secondary targets have been hit in the Terravecchia Formation (Upper Miocene), at Campo di Mazara-Lippone in Western Sicily, and in the Quaternary sediments on the plain of Catania (Rizzo, Cisina, and Catania fields).

It should be noted at this point that the search for oil and gas in Sicily, as in the rest of Italy, affected as it is by technical, economic, and regulatory factors which vary over time, has

been marked by sporadic and somewhat cyclical performance. In other words, a technological advance that makes it possible to define the targets better, an increase in the value of oil and gas, or a regulation that provides incentive for exploration will trigger a burst of new activity. If this activity is followed by discoveries, the research intensifies; when (as is inevitable sooner or later) discoveries become fewer and farther between -- not to mention smaller in size -- that activity tends to taper off.

Growth in Exploration Over Time

Agip's search for oil and gas in Sicily can be divided into three distinct cycles:

Cycle 1: from 1953 to 1971, onshore. Over that period Agip, alone or with associate companies, was involved in very intensive activity; over an area totaling 1,300,000 hectares, no fewer than 163 exploratory wells were sunk. During the Fifties and the early part of the Sixties, we made our biggest oil and gas discoveries.

Toward the end of the Seventies, exploration was totally fruitless. The funds available for surface surveys at the time were wholly inadequate to the geological complexity of the areas to be explored. Agip decided to halt all active operations on shore.

Cycle 2: from 1970 to the present, and still ongoing; this is the cycle of offshore exploration around Sicily, made possible by passage of PL 613. Over an area of 470,000 hectares, Agip since 1970 has used gravimeters and magnetometers to map more than 26,000 kilometers of fault lines, and drilled 36 exploratory wells, 9 by itself and 27 jointly with other companies. This intensive exploration activity not only leads to the discovery of very rich oil fields, but makes a very great contribution to our knowledge of the region's geology which, by the mid-Seventies, was one of the requirements sine qua non for a resumption of onshore activities.

Cycle 3: this is the phase of resumption of exploration activity in the Sicilian Region. Since it began in 1979, we may consider it as still in its initial phase today. That resumption was made possible by renewed cooperation between ENI and the Sicilian Mineral Agency, a collaboration formalized by the ENI-EMS agreements and by association contracts between Agip and Sarcis signed in 1981. It should be emphasized, however, that, at the technical level, that cycle began as an intensive flurry of studies which pinpointed the areas that seemed most promising and the development of better and more suitable tools for their exploration.

In order to test new geo-mineral models and apply and test newly developed technologies, further experimental mapping was undertaken in the concessions and non-exclusive prospecting areas already held by Agip in 1979. Beginning in 1981, operational activities began on six of Sarcis' exploration permit areas (Caltagirone, Marsala, Troina II, Catania, Agrigento, and Niscemi -- total area involved about 800,000 hectares). By the end of 1982, four exploratory wells had been drilled, two of which hit oil.

The Fruits of Exploration

The discovery of commercial deposits of oil and gas is the measure of the success of our exploration, and such discoveries also constitute, as mentioned earlier, one of the factors governing its pace and intensity.

The overall results of Agip's exploration activities in Sicily and offshore of the island, either alone or in association with third parties, may be summed up as follows:

. 10 onshore natural gas deposits, one of them (Gagliano) rated Class A (according to the international classification standards, this class is for strikes with reserves between 7 and 14 million ETP);

. 5 onshore oilfields, one of them, Gela, classed as a "major field" (reserves in excess of 14 million ETP);

. 5 offshore oil strikes, one of them, Vega, classed as a "major field," and another one, Nilde, rated as Class A.

The gas fields have all been brought into production and their cumulative output as of 31 December 1982 amounted to some 11 billion cubic meters.

Of the ten oil fields, four were producing as of the end of 1982 and cumulative output as of that date came to around 17 million tons. These figures do not include that from the Ragusa field found by Gulf in the early Fifties, and sold to Agip in 1964. Aside from modest amounts of crude oil shipped to the continent the resources found, both oil and gas, have been utilized primarily within the Sicilian Region.

Programs for the Current Year

In 1983, both onshore and offshore exploration is holding at a good level; involved are five geophysical teams, three onshore drilling installations (now used mostly for completion of the Monte Seggio 1 wells on Sarcis' Troina II permit, on Sarcis' Carrubo I Rosolini permit, and at Gagliano 101, in the concession

of the same name), an offshore installation (currently at Nausicaa I, some 70 kilometers off the western coast). Planned investments for exploration activities alone amount to 123 billion lire and represent 26 percent of the Italian exploration investment budget.

As for development activities, in addition to bringing the Perla field off Gela into production, 1983 will see the startup of a pilot plant at the Ponte Dirillo field to pump gas into the well and see whether it will increase final recovery rates in a heavy oil deposit. Also in 1983, additional wells will be completed and brought on line in the Ragusa concession, while the Nilde 3 well in the concession of the same name will be brought into production. As for the Vega field, planning is already under way for phase 1 of its development. Development investments slated for 1983 come to 25 billion lire.

And finally, as concerns production activities, current-year forecasts call for production of about 200 million cubic meters of gas, or roughly equal to the 1982 output. Production of crudes and gasolines from onshore and onshore fields is predicted to run around 1.1 million tons, for an increase of some 30 percent over 1982.

Outlook Promising, Laws Outdated

To conclude this brief report on Agip's activities in Sicily and offshore it is logical to ask what, if any, predictions can be made as to the future of gas and oil explorations in this province, which has, in the past, proved to be one of the richest in terms of petroleum resources.

That can be dealt with only in terms of probabilities, based on statistical and geological considerations derived from past activities and results as well as from the knowledge we possess today as to the nature and structure of the Sicilian subsoil.

As for onshore operations, it should be emphasized that, despite the great contribution of modern technologies to geophysical prospecting, exploration is still a difficult undertaking. The geotectonic upheavals to which these areas have been subjected are responsible for the more modest size of the reservoirs, for the complex geometry of the structures, and for the difficulty of finding them. It should also be borne in mind that these are all areas that have already been intensively explored.

Off shore, within the 200-meter isobath, exploration has reached the state of maturity. The relatively simpler problems, in terms of structural definition, and those which are more accessible in terms of the depth of the target, have already been largely solved. Current activity therefore is tending toward deeper targets and toward better definition of the marginal areas

surrounding known reserves. These are indispensable premises if we want to make any realistic assessment of the remaining outlook for exploration. It should be noted, however, that the record for the past 2 years carry concrete possibilities of further discoveries. On the basis of these same premises, though, we must rule out any likelihood that reserves which may be discovered in the future will be larger by an order of magnitude than those of the past. A feature common to future exploration activities and to those involving exploitation of resources will be increasing difficulty, both technical and financial, in the context of a market, too, which is very difficult to predict for the medium or long term. To be able to cope with this situation, Agip must be able, on the one hand, to maintain and build up its own scientific and operational structures, and, on the other, to acquire a self-financing capability for its future plans. There is, however, another condition that can facilitate continuation of this activity: a change in the regulatory structure that will allow development of programs with new and broader dimensions -- spatial, temporal, and financial.

The situation as we have it certainly is not compatible with these requirements; the legislation covering hydrocarbon exploration and production dates back to 1967, and that of the Sicilian Region to 1950. Meanwhile, all the other European countries have periodically updated their legislation so as to provide incentive for sound exploitation of their domestic resources. It is to be hoped that the same sort of practice -- which would be in line with the guidelines laid down in the July 1981 National Energy Plan (PEN) -- will be adopted in our country as well, and soon.

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CSO: 3528/157

ENERGY REPORT BY ENEA, ENEL, CNR FOR 1982

Rome NOTIZIARO DELL'ENEA in Italian Mar, Apr 83

[Mar 83, pp 9, 14-17, 19-20, 25-28, 33-36, 41-42]

[Excerpts] This is the first part of a summary (it will be completed in the April issue) of the report prepared by the ENI [National Hydrocarbons Agency] in cooperation with the ENEA [National Committee for Nuclear Energy and Alternate Sources], the ENEL [National Electric Power Agency] and CNR [National Research Council] for the National Council of Economy and Labor, presented to the council meeting on 16 December 1982.

Italy's Dependence on Petroleum

Italy's dependence on oil to meet the nation's energy needs is still rather high because it comes to 65 percent of the total, compared to an average figure of 46 percent for the EEC (which moreover includes a share of 12 percent produced domestically, while almost all of Italy's oil needs are met from imports). Over the past 10 years however Italy's dependence on oil has diminished; in 1972, Italy depended on petroleum for 75 percent of its energy consumption. This adds up to a rather noticeable but comparatively slow decline in the country's dependence on oil (when compared to what happened in the other EEC countries).

Crude Imports

Italy's crude imports maintained a declining trend. There has been an increase in relative terms in the role of the ENI which, in 1981, supplied 52.5 percent of all of the imports handled for domestic customers. During the first half of 1982, the ENI share decline noticeably due to the resumption of imports by independent operators. This last phenomenon is tied in with the growth of the spot market which almost certainly went beyond the traditional dimension.

In 1981 there was a change in the makeup of the origin of crude imported into Italy: The share of Saudi Arabia, which remained the biggest, jumped from 33 percent to 37 percent between 1980 and 1981 but then returned to the

starting level of the first half of 1982 as a result of the more restrictive price and output policy; Libya lost some of its quota for similar reasons while the rather hefty decline in imports from Iraq is connected with well-known wartime developments there. On the other hand, imports went up from the Caribbean areas (Mexico, Venezuela) and from the non-OPEC countries.

Average Cost of Crude

In 1981, the average cost of crude imported by Italy was $265.6 per ton CIF (gravity 33.1° API), corresponding to about 300,000 lire as against $224 (196,000 lire) in 1980. During the first half of 1982, the average CIF cost was $253 per ton with a noticeable decline over the 1981 average. This drop did not lead to a reduced importing cost because the parallel rise in the strength of the dollar greatly overcompensated the decline in the nominal price; the cost, in terms of lire, rose from 251,000 lire per ton in January 1981 to 325,000 lire per ton in June 1982.

Domestic Crude Output

In 1981, domestic crude output came to 1.48 million tons as against 1.82 million tons in 1980. The confirmed reserves had been estimated at 60 millions tons as of the end of 1981. The progress of exploration activities now underway would lead us to expect a resumption of production levels in medium-range terms without those levels however being able to exceed a minimum portion of the nation's needs.

Origin of Crude Oil Imports to Italy, 1981-1982 (Domestic Customers) (in percent)

	1) Golfo Persico	2) Medit. Orientale	Africa	3) Mar Nero	4) Sud America	5) Totale (*)
1981						
1° trimestre 6)	50,56	5,08	33,57	4,87	5,92	100,00
2° trimestre 6)	38,77	14,70	30,47	6,92	8,79	100,00
3° trimestre 6)	52,12	14,41	21,97	6,44	5,06	100,00
4° trimestre 6)	37,83	12,78	22,83	7,26	6,30	100,00
Totale anno 7)	**45,10**	**11,58**	**27,45**	**6,32**	**6,51**	**100,00**
1982						
1° trimestre 6)	50,17	13,88	19,80	7,54	7,36	100,00
2° trimestre 6)	34,69	6,55	20,75	9,51	8,04	100,00
Totale semestre 8)	**47,16**	**11,35**	**19,35**	**9,47**	**8,54**	**100,00**

(*) Include mare del Nord ed Indonesia, non comprese nella ripartizione per area – Fonte: Elaborazione Eni di dati Ministero Industria

Key: 1--Persian Gulf; 2--Middle East; 3--Black Sea; 4--South America; 5--Total; 6--Quarter; 7--Total per year; 8--Total per half-year; (*) This includes the North Sea and Indonesia which are not included in the area breakdown; Source: ENI processing of data from Industry Ministry.

Origin of Crude Oil Imports into Italy, 1981-1982 (Domestic Customers) (10^3t)

	1) Golfo Orientale	2) Medit. Orientale	Africa	Mar Nero 3)	4) Sud America	5) Totale (*)
1981						
1° trimestre 6)	9.914	996	6.583	956	1.161	19.609
2° trimestre 6)	7.056	2.676	5.546	1.259	1.600	18.200
3° trimestre 6)	9.440	2.610	3.979	1.166	916	18.112
4° trimestre 6)	6.208	2.098	3.746	1.192	1.033	16.410
Totale anno 7)	**32.618**	**8.380**	**19.854**	**4.573**	**4.711**	**72.331**
1982						
1° trimestre 6)	8.746	2.419	3.451	1.314	1.277	17.432
2° trimestre 6)	6.047	1.141	3.617	1.657	1.402	13.932
Totale semestre 8)	**14.793**	**3.560**	**6.068**	**2.971**	**2.679**	**31.364**

(*) Include Mare del Nord ed Indonesia, non comprese nella ripartizione per area – Fonte: Elaborazione Eni di dati Ministero Industria

Key: 1--Eastern Gulf; 2--Middle East; 3--Black Sea; 4--South America; 5--Total; 6--Water; 7--Total for Year; 8--Total for Half-Year; (*) Includes North Sea and Indonesia which were not included in the area breakdown; Source: ENI processing of data from Industry Ministry.

Crude Imports into Italy

1) tep × 10^6	1980	2) % su comm. naz.	1981	2) % su comm. naz.	3) I° sem. 1982	
Per committenze nazionali 4)						
Da Eni 5)	35,5	46,7	38,0	52,5	15,2	48,6%
Da multinazionali 6)	31,3	41,2	25,9	35,8	11,5	36,8%
Da indipendenti 7)	9,2	12,1	8,4	11,7	4,6	14,6%
	76,0	**100%**	**72,4**	**100%**	**31,3**	**100%**
Per committenze estere 8)	**12,6**		**13,1**		**3,1**	
Totale 9)	**88,6**		**85,5**		**34,4**	

Key: 1--Tons of Petroleum Equivalent; 2--Domestic Customers; 3--First Half of 1982; 4--For Domestic Customers; 5--By ENI; 6--By multinationals; 7--By Independent Operators; 8--For Foreign Customers; 9--Total.

Italian Refinery Processing Capacity Situation as of 1 January 1982 (Millions of Tons per Year)

1) Raffinerie		2) Tipo	3) Capacità di decreto	4) Capacità di collaudo	5) Greggio lavorato nel 1981	6) Capacità efficiente		
						7) Totale	8) Quota Eni %	8) Quota Eni 10^6 t/a
Anic	Gela	(a)	5,2	4,7	1,1	1,4	100	1,4
Api	Falconara	(a)	3,9	3,9	2,6	3,3		
Garrone	Genova 10a)	(a)	6,5	7,4	2,2	4,0		
Icip	Mantova	(a)	2,6	3,0	1,5	2,6		
Ip	Rho	(a)	5,1	5,0	3,0	4,0	100	4,0
Iplom	Busalla	(a)	1,6	1,6	0,5	1,7		
Isab	Melilli	(a)	11,0	11,0	6,9	11,0	50	5,5
Mediterranea	Milazzo	(a)	20,4	20,4	–	7,5	100	7,5
Mobil	Napoli 11)	(a)	5,9	7,3	3,5	4,5		
Montedison	Priolo	(a)	20,3	20,3	5,2	6,0		
Raff. del Po 8a)	Sammazzaro	(a)	10,0	10	6,9	10,0	100	10,0
Esso	Augusta	(a)	13,1	14,4	5,9	9,1		
Saras	Cagliari	(a)	18,0	18,0	12,6	12,0		
Sarpom	Trecate	(a)	14,0	14,0	5,0	8,5		
Amoco	Cremona	(b)	5,0	5,0	2,6	3,8		
Ip	Taranto	(b)	3,9	5,0	3,7	4,1	100	4,1
Irom	Venezia 12)	(b)	4,6	5,0	4,4	5,0	100	5,0
Sarom	Ravenna	(b)	7,8	7,8	3,0	4,1	60	2,5
Aquila	Trieste	(b)	5,0	5,0	2,4	5,0		
Stanic	Livorno	(b)	5,2	6,5	4,3	5,2	100	5,2
Ip	La Spezia	(c)	5,3	5,0	3,2	4,0	100	4,0
Raff. di Roma 9)	P. di Grano	(c)	4,3	4,5	3,3	4,8		
Sarni	Bertonico	(c)	5,6	5,6	2,4	4,0		
Alma	Ravenna	(d)	0,2	0,2	0,2	–		
Lombarda	Villasanta	(d)	1,1	1,2	0,8	–		
Omar	Lacchiarella	(d)	0,2	0,2	0,1	–		
Spi	Arcola	(d)	1,3	1,3	0,2	–		
Ilsea	Valmadrera	(d)	0,5	0,5	0,1	–		
Anic	Ragusa	(d)	0,3	0,3	0,1	–	100	–
S. Quirico	Genova 10a)	(d)	1,6	1,1	–	–		
Delle Piane	Genova 10a)	(d)	0,1	0,1	–	–		
Montedison	Brindisi	(d)	1,6	1,6	–	–		
Maura	Coniolo	(d)	0,3	0,3	–	–		
Vincor	Trieste	(d)	1,0	–	–	–		
Sardoil	Porto Torres	(d)	4,0	5,2	0,1	–	100	–
Stanic	Bari	(e)	4,6	(5,0)	–	–		
Mach	Volpiano	(e)	3,9	(5,0)	–	–		
Gip	Gaeta	(e)	3,9	(3,9)	–	–		
Raff. di Portogruaro 10)		(f)	8,0	–	–	–		
Totale			**216,9**	**216,3**	**87,8**	**125,6**	**39,2%**	**49,2**

Key: 1--Refineries; 2--Type; 3--Capacity on Law; 4--Certified [Approved] Capacity; 5--Crude Process in 1981; 6--Effective Capacity; 7--Total; 8--ENI Share; 8a--Refineries on the Po; 9--Refineries in Rome; 10--Refineries in Portogruaro; 10a--Genoa; 11--Naples; 12--Venice; t/a--t/yr; (a) Complex-cycle refineries with operating conversion plants; (b) Complex-cycle refineries with conversion plants under construction or on the drawing board; (c) Simple-cycle refineries; (d) Smaller refineries; (e) Refineries converted into tank farm; (f) Refinery not built; Source: AGIP [National Italian Oil Company] statistics.

Coal Supplies in Italy

In Italy, coal supplies in 1981 came to 18 million tons with an increase of 13 percent over the preceding year and, for the year 1982, we estimate a volume of 20 million tons. Italy is on the way to becoming the world's chief coal importer after Japan. The increase in imports is to a great extent due to the gradual implementation of thermoelectric and industrial (cement) plant conversion projects launched already in the past.

As for places of origin, the most important one is the United States (with 5.7 million tons of coking coal and 3.4 million tons of steam coal); other major places of origin are the FRG, Poland, South Africa and Australia.

Imported Coal Prices

In 1982, imported coal prices were influenced by the general economic situation, showing a noticeable drop on the spot market. On the Rotterdam market, steam coal from the United States dropped from $62-64 per ton to $57-60 per ton between March and September 1982. More than 90 percent of the coal imported into Italy is purchased by public agencies (primarily Italsider and ENEL).

Coking Coal Consumption

The consumption of coking coal (intended exclusively for use in the steel industry) remained steady, with a tendency toward a decline in the most recent years. The total consumption as a matter of fact dropped from 11.2 million tons in 1980 to 10.1 million tons in 1981 and to an estimated 10.8 million tons for 1982. As for steam coal, both energy uses (ENEL) and industrial uses (cement plants) showed a significant increase, rising, repsectively, from a consumption figure of 4.9 million tons in 1980 to an estimated 6.8 million in 1982 for ENEL and from 1.2 million in 1980 to an estimated 2 million in 1982 for the cement plants. The consumption of the domestic, commercial, and transportation sectors remained steady and rather modest, without any prospects for an increase.

Receiving Facilities

Receiving facilities reveal limitations which boil down to the lack of mooring places equipped to accommodate large-tonnage vessels (with the sole exception of the Italsider landing stages). The construction of the three big coal terminals listed in the National Energy Plan (Vado Ligure, Trieste and Gioia Tauro) is proceeding according to gradual and slow development stages which do not enable us to come up with any predictions. This enhances the interest aroused by the planned construction of a big receiving facility at Brindisi tied in with the new already approved ENEL power plant which should be completed by 1988-1990.

Recent studies on the other hand indicate that the railroad net, with properly limited modifications, is able to handle the anticipated movement requirements for the next 5 years.

Domestic Coal Output

Domestic coal production has remained firm, pending the reactivation of the only resource consisting of the coal basin of Sulcis. At this rate, the output volume in 1993 will reach 1.7 million tons. The sub-bituminous coal taken out of Sulcis is characterized by a rather modest calorific capacity (5,100 kcal/kg) and by a high sulfur content which requires it to be mixed with coal having a low sulfur content, to be used in thermoelectric units equipped with chimneys having a height of 250 meters.

Coal Conversion

In Italy, coal conversion is being developed according to the outline presented in the National Energy Search Plan which allocated 412 billion lire for program implemention during the period of 1982-1985. The Italian commitment in this field is being sustained primarily by the companies in the ENI Group, both toward gasification, and toward direct liquefaction (the EXXON Donor Solvent process). Burning tests are furthermore in progress regarding coal-oil in pilot plants designed by SNAM [National Gas Pipeline Company] and, on the basis of a process with a different design, at the power plant of the City Electric Power Company of Milan at Cassano d'Adda

Unit Prices of Coal Imported into Italy, 1980 and 1981 (Lire per Ton CIF)

Carbone da coke 1)

Provenienza 2)	1980	1981	Variazione %
Repubblica Federale di Germania 3)	104.738	126.572	+21
Urss 4)	51.135	64.815	+27
Polonia 5)	53.024	78.650	+48
Usa 6)	59.826	85.454	+43
Australia	49.041	82.408	+68
Valore medio 7)	68.298	94.937	+39

Carbone da vapore 8)

Provenienza	1980	1981	Variazione %
Repubblica Federale di Germania 3)	97.561	134.199	+38
Urss 4)	53.016	70.513	+33
Polonia 5)	44.951	87.467	+95
Sud Africa 9)	38.120	68.533	+80
Usa 6)	52.426	77.161	+47
Valore medio 7)	42.827	74.400	+74

Key: 1--Coking Coal; 2--Origin; 3--FRG; 4--USSR; 5--Poland; 6--The United States; 7--Average Value; 8--Steam Coal; 9--South Africa; 100-Change in Percent; Source: ISTAT [Central Statistics Institute], foreign trade.

Italian Coal Imports

	10) 1° semestre 1982	
Enti pubblici 1)	(t x 10^3)	
Nuova Italsider 2)	4,61	
Italiana Coke	0,87	
Enel	3,99	
Agip Carbone	0,16	
Totale enti pubblici 3)	**9,63**	(93%)
Indipendenti 4)		
Shell Italia	0,20	
Coe Clerici	0,09	
Agenz. Carboni	0,03	
Unicoke	0,06	
Altri 5)	0,13	
Totale indipendenti 6)	**0,51**	(5%)
Cementifici 7)		
Unicem	**0,12**	
Altri	**0,07**	
Totale cementifici 8)	**0,19**	(2%)
Totale generale 9)	**10,33**	

Key: 1--Public Agencies; 2--New Italsider; 3--Total, Public Agencies; 4--Independent Operators; 5--Others; 6--Total, Independent Operators; 7--Cement Plants; 8--Total, Cement Plants; 9--Grand Total; 10--First Half of 1982.

Coal Imports by Countries of Origin and Type (*) (t x 10^3)

	1979	1980	1981	6) Variazione 80/79	Variazione 71/80
Antracite 1)	**373,2**	**294,0**	**191,2**	– 11,3%	– 35,0%
Repubblica Federale di Germania 7)	19,1	18,0	14,6		
Regno Unito 8)	17,3	12,3	2,5		
Urss 9)	138,3	96,7	39,1		
Sud Africa 10)	156,3	108,1	119,9		
Altri Paesi 11)	42,2	58,9	15,1		
Carboni magri 2)	**26,7**	**120,0**	**248,8**	+ 349,4%	+ 107,3%
Sud Africa	26,7	119,9	174,9		
Altri Paesi	–	0,1	73,9		
Carboni da coke 3)	**8.613,3**	**10.795,3**	**10.764,3**	+ 25,3%	– 0,03%
di cui temp. 12)	(211,5)	(14,1)			
Repubblica Federale di Germania	1.751,5	2.467,1	2.645,5		
Urss	697,5	643,4	161,7		
Polonia 13)	1.579,2	1.073,1	569,9		
Stati Uniti 14)	3.583,2	5.298,7	5.725,4		
Australia	886,5	1.125,6	1.546,3		
Altri Paesi	115,4	187,4	115,5		
Carbone da vapore ed altri (**) 4)	**4.851,7**	**5.307,4**	**7.467,7**	+ 9,3%	– 40,7%
di cui temp.	(48,1)	–			
Repubblica Federale di Germania	91,6	12,3	140,6		
Urss	221,0	273,5	15,6		
Polonia	1.450,5	1.345,9	435,4		
Sud Africa	2.141,8	2.830,5	3.342,8		
Stati Uniti	590,4	715,3	3.422,7		
Australia	282,7	–	–		
Altri Paesi	73,7	129,9	546,0		
Totale 5)	**13.864,9**	**16.516,7**	**18.672,0**	**+ 19,1%**	**+ 13,1%**

Key: 1--Anthracite; 2--Lean Coal; 3--Coking Coal; 4--Steam and Other Types of Coal (**); 5--Total; 6--Change; 7--FRG; 8--United Kingdom; 9--USSR; 10--South Africa; 11--Other Countries; 12--Including; 13--Poland; 14--United States; Source: Petroleum Report, April 1982; Coal Data, June 1982; (*) Excluding coke from petroleum, imported to the extent of about 970,000 tons in 1981; (**) Including agglomerates and lignites.

Coal Consumption in Italy by User Sectors (1) (millions of tons)

	1980	1981	1982(2)
Carbone da coke 3) (Cokerie siderurgiche 4) ed indipendenti)	11,2	10.1	10,8
Carbone da vapore 5)	6,0	7,7	9,3
di cui: 6)			
Enel	4,9	5,9	6,8
Cementifici 7)	0,7	1,3	2,0
Altre Industrie 8)	0,2	0,2	0,2
Autoproduttori 9) Domestico trasporti 10)	0,2	0,3	0,3
Totale generale 11)	**17,2**	**17,8**	**20,0**

Key: (1) including lignites; (2) estimated; 3--Coking Coal; 4--Steel-Mill and Independent Coking Plants; 5--Steam Coal; 6--Including; 7--Cement Plants; 8--Other Industries; 9--Auto Makers; 10--Domestic Transportation; 11--Grand Total.

Italian Natural Gas Consumption

Italian natural gas consumption was supplied to a decisive extent until about 10 years ago from domestic production (methane). Imports thereafter assumed a gradually growing role. In 1981, natural gas consumption came to 26.6 billion cubic meters with a drop of 2.9 percent compared to the preceding year due to the decline in industrial consumption, above all in the chemical industry. During the first half of 1982 there was a resumption exclusively due to the increase in civilian and thermoelectric consumption. The energy requirement share met by natural gas was 15.5 percent in 1981 and, during the first half of 1982, jumped to 16.6 percent. This share rose until it reached about 20 percent, covering ultimate energy uses.

Natural Gas Imports

After many years of growth, natural gas imports dropped both in 1980 (down 2.3 percent) and in 1981 (down 3.3 percent) and even more significantly during the first half of 1982 when we recorded a decline of 8.5 percent. The main sources are the USSR (7.4 billion cubic meters in 1981) and Holland (6.5 billion cubic meters). Supply contracts are now underway with Holland, the Soviet Union, Libya, and Algeria. The contract with Libya was suspended because of a controversy on prices while the contract with Algeria was concluded on the government level in September 1982. Except for the Libyan contract--which provides for shipment via methane tanker--supplies are obtained through pipelines built to a great extent by SNAM. The contracts now under way call for

total shipments of 25 billion cubic meters per year. In addition to these shipments, we must mention a second supply contract with the Soviet Union, covering 8 billion cubic meters per year; that contract was still being studied by the Italian government at the end of June 1982.

Domestic Output

In 1981, domestic output came to 14 billion cubic meters, in other words, an increase of 12 percent over the preceding year. During the first half of 1982, with an output of 8 billion cubic meters, the growth rate was still higher, reaching 15.9 percent. More than 90 percent of the domestic output comes from deposits operated on the basis of an ENI concession. The Po Valley henceforth will play a secondary role in the domestic production system with a contribution of 20 percent as compared to 65 percent of the total output coming from off-shore deposits (located above all in the Adriatic and in the Ionian Sea). The remaining 15 percent of the output will come from areas on land in the south-central region and on the islands.

Reserves

The confirmed and still extractable reserves as of the end of 1981 were estimated at about 190 billion cubic meters. During 1981, reserves went up by 1 billion cubic meters.

Storage Facilities

Natural gas storage facilities must meet two different types of requirements: First of all, the operational requirement of guaranteeing a regular flow to supply requirements during peak consumption times in terms of hours and seasons. The domestic distribution system meets this requirement with a network of half-full storage facilities distributed throughout the territory; their use is controlled by an appropriate law. There is furthermore the requirement for establishing strategic stockpiles so as to enable us to cope with abrupt interruptions in supplies from abroad. The goal which ENI has set itself in this respect is to establish strategic stockpiles capable of handling an interruption in a contract of the dimension such as the Algerian contract for a duration of at least one winter season.

Pipeline Network

During the first half of 1982, the methane pipeline network reached a length estimated at 16,100 kilometers and comprises 393 decompression plants, 130 remote-controlled sorting stations, and 19 compression plants for an installed power of 209,400 hp. The city networks that are getting standard methane gas from ENI companies numbered 1,373 at the end of 1981, as against 1,335 a year before that.

Italian Imports (10^9 cubic meters)

	1980	1981	5) I° Sem. 82	6) Variazione 81/80	7) Variazione I° Sem. 82/81
Urss 1)	6,4	7,4	3,8	+ 15,6%	- 3,5%
Olanda 2)	6,6	6,5	2,7	- 1,5%	- 13%
Libia 3)	1,3	-	-	-	-
Algeria	-	-	-	-	-
Totale importato 4)	**14,3**	**13,9**	**6,5**	**- 2,8%**	**- 8,5%**

Key: 1--USSR; 2--Holland; 3--Libya; 4--Total Imported; 5--First Half of 1982; 6--Change, 1981 as against 1980; 7--Change, First Half of 1982 as Compared to 1981.

Power Plant Location Problems

In Italy, the problem of finding places for nuclear electric power plants continues to have a negative effect on the implementation of the power plant construction program which has fallen behind the initial target date established in the National Energy Program. Power Plant site selection procedures are now being amended according to standards contained in Bill 2383 bis, approved by the Industry Committee of the Chamber of Deputies on 10 November 1982.

Following the parliamentary resolution which recommended the adoption of a single type of light-water reactor, a study was started for a unified project of the PWR type. The result of the first phase of that project study was presented to the ministry of industry in August 1982; it was contained in the "Preliminary Plant Safety Report." The standardized project calls for power plants equipped with two twin units with a capacity of 950 MTU, each, based on the Westinghouse 312 technology (three cooling circuits).

Cirene Prototype

As for the Cirene prototype, the ENEA has practically completed the research and development work connected with the construction of the prototype and the acquisition of knowhow pertaining to the heavy-water line and the fuel cycle. Planning activities carried out by NERA [Italian Nuclear Company for Advanced Reactors] for the nuclear island reached 80 percent of the total today scheduled for the completion of the plant; the orders issued for the supply of systems and components for the nuclear island represent 90 percent of the value of the island itself; the construction of components and systems for the nuclear island, already ordered but not yet shipped, on the average has progressed to the extent of 70 percent; civilian engineering construction work is adequately on schedule; 50 percent of the iron armatures and the concrete molds are in place; as for authorization activities, 21 out of the 23 projects in the detailed reports, into which the plant has been subdivided, have been submitted, and out of the latter 13 have already been completely approved; besides, because of their complexity, they account for 75 percent of the authorization

procedures required for Cirene. But the intention expressed by ENEL in June 1981 to redimension its own commitment to the project is causing certain slowdowns, particularly in the operating personnel training activities.

Superphenix Power Plant

Activities were continued in 1981 regarding Italian participation in the construction of the vast Superphenix-1 power plant which is in an advanced stage of construction at Creys-Malville, France.

Nuclear Power Plants in Operation

As for nuclear electric power plants in operation, the Caorso power plant was closed down at the end of the trial run from 2 May until 30 September. It started formal commercial service on 1 December 1981. The Garigliano power plant was closed down for an undetermined period of time starting in July 1981. The Trino Vercellese power plant was closed throughout 1981. The Latina power plant, closed from 20 September 1980 onward, resumed operations on 14 April 1981 and, except for some short shutdowns, continued operating regularly at maximum power. Overall, nuclear electric power output in 1981 came to 2,707 million kwh, an increase of 22.6 percent over the preceding year and a volume corresponding to 0.59 Mtep [millions of tons of petroleum equivalent). Nuclear sources supply about 1.50 percent of the total electric power output.

[Apr 83, pp 9-18, 20, 21, 23, 24]

[Excerpts] Summary of report prepared by ENI in cooperation with ENEA, ENEL, and CNR for the CNEL [National Council for Economy and Labor] (second part).

Oil Imports

Direct imports of products and semi-finished products into Italy are also developing. In the past, Italy was a strong exporter of products and waste; but in 1980, the product exchange situation began to be modified, causing a negative balance in the exchange of products and semi-finished products amounting to 7.3 million tons in 1980 and 5.5 million tons in 1981. Among the factors that influence the exchange of products and semi-finished products--in addition to the price difference between the domestic market and the free international market (attentuated by the introduction of surveillance systems)--the characteristics of the domestic consumption structure (which is unbalanced toward heavy products) and the pressure of the supply from the exporting countries are found to be at work. Regarding in particular the domestic consumption structure, the Italian petroleum demand is and for many years to come will be shifted toward heavier products mainly because of the high need for fuel oil for the thermoelectric power plants.

The dynamics of petroleum product consumption in overall terms showed substantial stability in the sector of gasolines, a tendency toward an increase in gas-oil for automotive transportation, and a dip in gas-oil for heating purposes, while the demand for fuel oils revealed an accentuated declining trend.

Italian Petroleum Product Imports and Exports (t x 10^6)

	1980	1981	I° Semestre 82 6)	Variazioni % 81/80	7) I Sem. 82/81
Import prodotti finiti 1)	14,5	14,8	7,0		
Import residui e semil. 2)	5,2	6,1	4,1		
Totale Import 3)	**19,7**	**20,9**	**11,1**	**+14%**	**+ 5%**
Esportazione prodotti 4) e semilavorati	11,8	14,8	9,0	+25%	+34%
Saldo Export Import 5)	**-7,3**	**-5,5**	**-1,4**		

Key: 1--Finished Product Imports; 2--Waste and Semi-Finished Product Imports; 3--Total Imports; 4--Product and Semi-Finished Product Exports; 5--Export-Import Balance; 6--1st Half of 1982; 7--Changes, %.

Italy: Percentage Breakdown of Demand in 1980, Compared to EEC Average

	6) Italia	7) Cee
Benzine e Virgin nafta 1)	16	22
Distillati medi 2)	28	35
Oli combustibili 3)	45	29
Altri (*) 4)	11	14
Totale 5)	**100**	**100**

Key: 1--Gasolines and Virgin Naphtha; 2--Medium Distillates; 3--Fuel Oils; 4--Miscellaneous (*); 5--Total; 6--Italy; 7--EEC; (*) Including consumption and losses.

Petroleum Products Supplied for Consumption in Italy (*)

	1981		I Sem. '82 12)	
	t/10^6	%	t/10^6	%
Benzine 1)	12,2	- 2,3	5,9	+ 1,6
Petrolio 2)	0,6	-17,8	0,3	-17,6
Carboturbo 3)	1,5	- 7,7	0,7	+ 6,0
Gasolio autotrazione ecc. 4)	12,8	+ 9,0	6,4	+ 4,8
Gasolio riscaldamento 5)	10,6	- 9,4	5,3	- 7,9
Olio combustibile 6)	34,9	- 5,0	15,7	-16,5
Lubrificanti 7)	0,6	- 3,6	0,3	- 8,4
Bitumi 8)	1,8	- 7,6	0,8	+ 7,4
GPL 9)	2,2	+ 1,6	1,1	+ 1,7
Altri minori 10)	0,8	- 6,2	0,6	- 1,3
Petrolchimica netta 11)	6,9	- 5,7	3,3	-11,4
Bunkers	3,9	- 9,7	2,3	+ 4,8
	89,1	**- 3,8**	**42,7**	**- 7,4**

Key: 1--Gasolines; 2--Petroleum; 3--Turbo Fuel; 4--Gas-Oil for Automotive Transportation, etc.; 5--Gas-Oil for Heating; 6--Fuel Oil; 7--Lubricants; 8--Bitumens; 9--LPG; 10--Miscellaneous Minor Products; 11--Net Petrochemical; 12--1st Half of 1982; (*) Excluding stockpile movement; Source: AGIP Petroleum Statistics.

Power Output and Use

The share of gross domestic consumption of energy sources involved in production and utilization in the form of electric energy in Italy in 1981 was 41.9 Mtep (29.4 percent of the total) and corresponded to 191.3 Twh. Out of that figure, 181.7 Twh were produced by the country's electric power plants while 9.6 Twh represent the balance of trade with foreign countries. Overall, gross output declined 2.2 percent in 1981 in various ways depending upon the individual sources; while hydroelectric energy output dropped 3.7 percent and thermoelectric power output declined 2.1 percent, nuclear thermoelectric output shot up 22.6 percent without however significantly influencing the overall dynamics; the percentage rate of nuclear thermoelectric power as a matter of fact in 1981 was 1.5 percent of the total gross electric energy output, as against 25.2 percent for hydroelectric power and 71.8 percent for thermoelectric power.

ENEL produced 79.1 percent of the national total while the energy demand placed upon the ENEL grid came to 84.3 percent of the total. ENEL made up the difference through increased use of foreign and domestic third parties. Regarding in particular hydroelectric power output by ENEL, the various plant categories (reservoir, basin, and running water) made a contribution amounting to 27 percent, 45.9 percent, and 27.1 percent, respectively; only the basins recorded an increase in the absolute value of their contribution. Contributions from pumping increased 18.4 percent, reaching a figure of 2,620 Gwh and accounting for 7.9 percent of the gross hydroelectric energy output coming from ENEL.

Electric Power Exchange

Exchange of electric power with foreign countries in 1981 showed an import balance of 9.632 Gwh [as published]. The imports came almost entirely from Switzerland (60 percent) and France (26 percent).

Gross Installed Capacity

The gross effective installed capacity in Italy as of 31 December 1981 was 49,408 Mw, corresponding to 47,726 Mw net capacity; 78 percent of the total capacity belong to ENEL. Broken down by primary sources, the gross effective capacity of the power plants consistsof 64.4 percent thermoelectric, 32 percent hydroelectric, 2.6 percent nuclear thermoelectric, and 1 percent geothermoelectric.

Electric Power Grid Operation

In 1981, the operation of ENEL electric power grid was characterized by a particularly modest increase in the energy demanded. Compared to increases between 5 and 6 percent, on an annual basis, during the preceding 2-year term, the increase in the demand in 1981 was 1 percent and remains rather below the figure for the preceding years even if, for the sake of homogeneity in this comparison, we exclude 29 February 1980. With this correction, as a matter of fact, the 1981 increase comes to 1.3 percent.

In 1981, for the first time, there was a 0.4 percent drop in the peak electric power demand (27,621 Mw at 0900 on 28 January 1981 as against 27,720 Mw at 1700 on 10 December 1980). The introduction, begun during the second half of 1980, of multi-hour rates applied to users supplied with high voltage, contributed significantly to this phenomenon. On the basis of the initial data available, we can estimate that the reduction in the demand during peak hours--to be attributed to the introduction of multi-hour rate schedules--was at least on the order of 1,000 Mw.

Weather and Reservoir Situation

As far as the weather and the reservoir water levels are concerned, the supply of water to the catchment basins due to the weather as it involves ENEL hydroelectric power plants in 1981 came up to the long-term average. The hydroelectric production capability index, assumed to be 1.00, was less than the one recorded in 1980 (1.05). If we compare the diagrams showing the ENEL reservoir water level coefficients in 1980 and 1981, we find that the percentage water level coefficients in 1981 were above the values for the corresponding period of time in 1981 in April, May, and June, while for the rest of the year they remained at lower levels. The minimum water level rise coefficient was recorded on 9 March (33.7 percent) while the maximum water level rise coefficient (71.5 percent) was recorded on 28 September.

Power Plant Construction

The power plant construction situation, updated as of 30 June 1982, reveals a total of about 16,400 Mw. Out of that number, 15,418 Mw belonged to ENEL and are distributed as follows: 5,137 Mw (31.3 percent of the national total) hydroelectric; 7,068 (43.1 percent) conventional thermoelectric; (2,438 [as published] (14.9 percent) nuclear. The balance, compared to the total of 16,400 Mw, is represented, as we said, to the extent of 1,000 Mw by plants producing for themselves and by plants belonging to companies that were placed under municipal control (almost exclusively conventional thermoelectric), to the extent of 720 Mw by ENEL turbogas plants, and to the extent of 55 Mw by geothermoelectric plants.

Italian Electric Energy Balance Sheet for 1980 and 1981

	1980		1981	
	GWh	Variazione % rispetto al 1979 (14)	GWh	Variazione % rispetto al 1980 (15)
Produzione lorda: (2)				
– idroelettrica (1) (3)	47.511	– 1,5	45.736	– 3,7
– termoelettrica (4)	133.350	+ 4,2	130.400	– 2,1
– geotermoelettrica (5)	2.672	+ 5,9	2.664	–
– nucleotermoelettrica (6)	2.208	– 16,0	2.707	+ 22,6
Produzione totale lorda (7)	185.741	+ 2,5	181.656	– 2,2
– energia destinata ai servizi ausiliari della produzione (8)	8.349	+ 4,3	8.159	– 2,3
Produzione netta (9)	177.392	+ 2,4	173.497	– 2,2
– energia destinata ai pompaggi (10)	3.225	– 0,5	3.883	+ 20,6
– energia importata (11)	8.072	+ 6,8	11.602	+ 43,7
– energia esportata (12)	1.989	– 8,2	1.970	–
Energia richiesta sulla rete (13)	**180.250**	**+ 2,8**	**179.241**	**– 0,6**

Key: (1) Including 2,258 Gwh for 1980 and 2,728 Gwh for 1981 to be credited to water supplies coming from pumping cycle; 2--Gross Output; 3--Hydroelectric (1); 4--Thermoelectric; 5--Geothermoelectric; 6--Nuclear Thermoelectric; 7--Gross Total Output; 8--Energy Earmarked for Auxiliary Production Purposes; 9--Net Output; 10--Energy Earmarked for Pumped; 11--Imported Energy; 12--Exported Energy; 13--Energy Demanded from Grid; 14--Percentage Change Compared to 1979; 15--Percentage Change Compared to 1980.

Italian Electric Energy Balance Sheet for 1981 (Millions of kwh)

	Idroelettrica (10)	Termoelettrica (11)	Geotermoelettrica (12)	Nucleotermoelettrica (13)	Totale
Produzione lorda (1)					
- Enel	33.042	105.345	2.664	2.707	143.758
- Az. Municipalizzate (2)	4.238	1.705	–	–	5.942
- Altre Imprese (3)	371	469	–	–	840
- Autoproduttori (4)	8.085	23.031	–	–	31.116
Totale (5)	**45.736**	**130.530**	**2.664**	**2.707**	**181.656**
Consumi per servizi ausiliari (6)					
- Enel	224	6.131	102	166	6.623
- Az. Municipalizzate	19	96	–	–	115
- Altre Imprese	1	24	–	–	25
- Autoproduttori	35	1.361	–	–	1.396
Totale	**279**	**7.612**	**102**	**166**	**8.159**
Produzione netta (8)					
- Servizi pubblici (9)	37.407	101.267	2.562	2.541	143.777
- Autoproduttori	8.050	21.670	–	–	29.720
Totale	**45.457**	**122.937**	**2.562**	**2.541**	**173.497**
				(14) Importazioni	11.602
				(15) Esportazioni	1.970
				(16) Pompaggi	3.888
				(17) **Consumi più perdite**	**179.241**

Key: 1--Gross Output; 2--Companies Under Municipal Control; 3--Miscellaneous Enterprises; 4--In-House Power Producer; 5--Total; 6--Consumption for Auxiliary Services; 8--Net Output; 9--Public Utilities; 10--Hydroelectric; 11--Thermoelectric; 12--Geothermoelectric; 13--Nuclear Thermoelectric; 14--Imports; 15--Exports; 16--Pumping; 17--Consumption Plus Losses.

Italian Electric Power Output by Energy Sources (Mtep)

	1980	1981			Variazione %
		15)			16)
	Totale	ENEL	Terzi	Totale	del totale rispetto al 1980
Termoelettrica tradizionale da: 1)					
Combustibili solidi e gas derivati: 2)					
- carbone 3)	2,96	3,56	0,01	3,57	+20,6
- lignite	0,32	0,30	–	0,30	– 6,3
- gas derivati 4)	0,76	0,03	0,77	0,80	+ 5,3
- altri combustibili 5)	0,16	..	0,19	0,19	+18,8
Totale (a) 6)	**4,20**	**3,89**	**0,97**	**4,86**	**+15,7**
Idrocarburi: 7)					
- prodotti petroliferi 8)	22,92	17,93	3,89	21,82	– 4,8
- gas naturale 9)	1,96	1,42	0,43	1,85	– 5,6
Totale (b)	**24,88**	**19,35**	**4,32**	**23,67**	**– 4,9**
Totale termoelettrica (a) + (b) 10)	**29,08**	**23,24**	**5,29**	**28,53**	**–1,9**
Produzione idroelettrica naturale 11)	9,96	6,69	2,78	9,47	– 4,9
Produzione geotermoelettrica 12)	0,59	0,59	–	0,59	–
Produzione elettronucleare 13)	0,49	0,59	–	0,59	+20,4
Totale produzione 14)	**40,12**	**31,11**	**8,07**	**39,18**	**– 2,3**

Key: 1--Traditional Thermoelectric Power from; 2--Solid Fuels and Derived Gases; 3--Coal; 4--Derived Gases; 5--Miscellaneous Fuels; 6--Total; 7--Hydrocarbons; 8--Petroleum Products; 9--Natural Gas; 10--Thermoelectric Total; 11--Natural Hydroelectric Production; 12--Geothermoelectric Production; 13--Nuclear Electric Production; 14--Total Output; 15--Third Sources; 16--Percentage Change of Total Compared to 1980. Note: The real input of Italian power plants was used for the conversion of thermoelectric energy while a constant conversion coefficient (2,200 kcal/kwh) was used for primary electric energy (hydroelectric, geothermoelectric, and nuclear electric).

1981 ENEL Gross Hydroelectric Energy Output

1) Categoria di impianti	2) Apporti naturali	3) Apporti di pompaggio	4) Totale	5) Variazione % rispetto al 1980
Serbatoio 6)	7.434	1.475	8.909	– 18,2
Bacino 7)	14.034	1.141	15.175	+ 3,4
Acqua fluente 8)	8.954	4	8.958	– 5,4
Totale	**30.422**	**2.620**	**33.042**	**– 5,7**

Key: 1--Plant Category; 2--Natural Supply; 3--Pumping Supply; 4--Total; 5--Percentage Change Compared to 1980; 6--Reservoir; 7--Basin; 8--Running Water.

Note: Hydroelectric power plants are classifed on the basis of the characteristics of reservoirs that supply them. A hydroelectric power plant is classified "with seasonal regulation reservoir" or "with modulation basin" when the reservoir which supplies it has the capability of transferring--considering its "flooding time" (which is a function of its flooding capacity and the average annual water volume flowing in)--the volume of water flowing in during a low-demand period to another successive high-demand period; the power plants of the first type generally involve transfers from one period of the year to another one (for example, from summer to winter); for those of the second type, the transfer is made mostly from night-time hours (flooding period) to day-time hours (utilization period). Running-water power plants do not have reservoirs and, if they do, their "flooding time" is so short (less than or equal to 2 hours) as not to permit any water transfers.

Effective Capacity as of 31 December 1981 (Mw)

1) Impianti	2) Lorda		3) Netta	
	4) Italia	Enel	Italia	Enel
Idroelettrici 5)	15.844	12.535	15.766	12.478
Termoelettrici 6)	31.808	24.421	30.255	23.224
Geotermoelettrici 7)	445	445	432	432
Nucleotermoelettrici 8)	1.311	1.311	1.273	1.273
Totale 9)	**49.408**	**38.712**	**47.726**	**37.407**

Key: 1--Plants; 2--Gross; 3--Net; 4--Italy; 5--Hydroelectric; 6--Thermoelectric; 7--Geothermoelectric; 8--Nuclear Thermoelectric; 9--Total.

Electric Energy Movements with Foreign Countries in 1981 (Gwh)

	1) Movimenti fisici	
	2) Importazione	3) Esportazione
Francia 4)	3.009	951
Svizzera 5)	7.005	606
Austria	917	53
Jugoslavia 6)	671	361
Germania 7)	—	—
Parallelo europeo 8)	—	—
Totale 9)	**11.602**	**1.971**
Saldo importatore 10)	**9.632**	

Key: 1--Physical Movements; 2--Imports; 3--Exports; 4--France; 5--Switzerland; 6--Yugoslavia; 7--Germany; 8--European Parallel; 9--Total; 10--Import Balance.

Percentage Contribution from Various Energy Sources to ENEL Maximum-Load Coverage, 1981 and 1980

	1980	1981
Idroelettrica fluente 1)	3,8	3,1
Idroelettrica regolata: 2)		
- da bacino giornaliero o settimanale 3)	11,6	10,8
- da serbatoio stagionale 4)	11,5	10,7
Totale idroelettrica 5)	**26,9**	**24,6**
Termoelettrica tradizionale 6)	62,3	57,5
Geotermoelettrica 7)	1,1	1,1
Nucleotermoelettrica 8)	-	2,9
Totale termoelettrica 9)	**63,4**	**61,5**
Terzi 10)	9,7	13,9
11) Totale	**100,0**	

Key: 1--Running, Hydroelectric; 2--Regulated, Hydroelectric; 3--By Daily or Weekly Basin; 4--By Seasonal Reservoir; 5--Total, Hydroelectric; 6--Traditional Thermoelectric; 7--Geothermoelectric; 8--Nuclear Thermoelectric; 9--Total, Thermoelectric; 10--Third Sources; 11--Total.

Italian Electric Power Consumption (Gwh)

	1975	1980	1981	16) Variaz. 1981/1980 (%)	17) Variaz. 1975/1981 (%)
Industria 3)	79.160	97.303	94.157	- 3.2	+ 2.9
Trasporti (1) 4)	4.045	4.499	4.357	- 3.2	+ 1.2
Usi domestici 5)	27.878	38.109	38.854	+ 2.0	+ 5.7
Agricoltura 6)	1.646	2.594	2.794	+ 7.7	+ 9.2
Altri usi 7)	15.910	21.139	22.636	+ 7.1	+ 6.1
di cui: 8)					
- (commercio, alberghi, ristoranti e bar, servizi) 9)	(9.217)	(12.539)	(13.407)	+ 6.9	+ 6.4
- (pubblica amministrazione e illuminazione pubblica) 10)	(3.021)	(3.853)	(4.167)	+ 8.1	+ 5.5
- (oleodotti e gasdotti, acquedotti) 11)	(2.722)	(3.253)	(3.347)	+ 2.9	+ 3.5
- (altri settori) (2) 12)	(950)	(1.494)	(1.715)	+ 14.8	+ 10.3
Totale consumi finali 13)	**128.639**	**163.644**	**162.798**	**- 0.5**	**+ 4.3**
Perdite di trasmissione e distribuzione 14)	12.622	16.606	16.443	- 1.0	+ 4.5
Energia richiesta 15)	141.261	180.250	179.241	- 0.6	+ 4.0

Key: (1) Railroad and Urban Transportation; (2) Loans and Insurance, Auxiliary Transportation Activities; 3--Industry; 4--Transportation (1); 5--Domestic Uses; 6--Agriculture; 7--Miscellaneous Uses; 8--Including; 9--Commerce, Hotels, Restaurants and Bars, Services; 10--Public Administration and Public Lighting; 11--Oil Pipelines and Gas Pipelines, Water Pipelines; 12--Miscellaneous Sector (2); 13--Total Final Consumption; 14--Transmission and Distribution Losses; 15--Energy Demanded; 16--Percentage Change, 1981 as against 1980; 17--Percentage Change, 1975 as against 1981.

Electric Power Consumption in Italian Industry (Gwh)

	1980	1981	15) Variazione % 1981/1980
Minerali e metalli ferrosi e non 1)	26.895	25.007	- 7,02
Minerali e prodotti a base di minerali non metalliferi 2)	10.872	11.218	+ 3,18
Chimiche ed affini 3)	18.527	17.064	- 7,90
Meccaniche e mezzi di trasporto 4)	13.261	12.926	- 2,53
Alimentari 5)	4.978	5.242	+ 5,30
Tessili e abbigliamento 6)	6.913	6.778	- 1,95
Legno e mobilio 7)	2.107	2.110	+ 0,14
Carta e poligrafiche 8)	5.663	5.623	- 0,71
Altre 9)	3.889	3.829	- 1,54
Prodotti della trasformazione industriale 10)	93.105	89.797	- 3,55
Settore energetico 11)	3.312	3.411	+ 2,99
Industrie in senso stretto 12)	96.417	93.208	- 3,33
Costruzioni 13)	886	949	+ 7,11
Totale 14)	**97.303**	**94.157**	**- 3,23**

Key: 1--Minerals and Ferrous and Nonferrous Metals; 2--Minerals and Products Based on Non-metal-containing Minerals; 3--Chemical and Related; 4--Mechanical and Transportation Equipment; 5--Food; 6--Textiles and Clothing; 7--Lumber and Furniture; 8--Paper and Printing; 9--Miscellaneous; 10--Industrial Processing Products; 11--Energy Sector; 12--Industries, in Strict Sense of Term; 13--Construction Industry; 14--Total; 15--Percentage Change from 1981 against 1980.

Development Standards

Standards for the development of a domestic renewable sources industry were spelled out in Italy in 1981 and 1982. These standards essentially consist of the approval of the PEN (National Energy Plan) which assigns to renewable sources the task of contributing a share amounting to 2.0 Mtep to the overall energy need, in the form of two provisions which give ENEA and ENEL certain tasks in the field of renewable sources and, finally, in Law No 308 of 1982 which, for the 3-year term of 1981-1983, allocates 1,586 billion lire to provide incentives for energy savings and for recourse to renewable sources.

Solar Energy

In the field of solar energy, it has been estimated that sales of solar panels in 1981 held firm on the 1980 level (45,000 square meters), with subsequent underutilization of the domestic production capacity (estimated at about 80,000-90,000 suqare meters per year). It is believed that the entry into force of the above-mentioned Law No 308 can promote an increase in sales. In the meantime, ENEA in 1982 started the construction of a solar panel testing and improvement plant while ENEL is planning the installation of about 100,000 square meters of panels at an estimated cost of 25 billion.

Photovoltaic Conversion

In the field of photovoltaic conversion we must report the initiatives of the ENI in the area of cooperation with the American Solarex-Semix group. Ansaldo is also present in this sector through Heliosil, while ENEL and ENEA are continuing work on the Delphos project in construction of a photovoltaic plant of 1 Mwp.

Biomass

In the biomass field, particularly in the Po area, we can report the construction of anaerobic digestion plants for the production of gas. In this sector we find operating primarily AGIP Giza (ENI), Aerimpianti (IRI [Industrial Reconstruction Institute]) and SES [Soft Energy Systems] (Fiat).

Wind Energy

The first Italian project in the field of wind energy calls for the construction of a 500-kw plant and work was started by ENEL (Vele project) in August 1981 with the start of operations--in the S. Caterina (Cagliari) test field--of the first of the ten 50-kw generators, each, produced by Fiat.

Energy Savings

In the area of energy savings, the PEN establishes the target of an overall consumption reduction of between 15 and 20 million tep per year, by 1990. The incentives necessary for the attainment of this goal are outlined in the PEN to the tune of 8,000 billion lire to which we must add 1,000 billion for research during the 1981-1985 5-year-term. A first specific step in this respect is represented by the gradual implementation of Law No 308.

District Heating

In recent years we have recorded noteworthy development of ideas and projects in the district heating field and there is reason to believe that a good portion of the 425 billion allocated under Law No 308 for initiatives in the heat field involve district heating. Among the projects under study in this field we might mention Mestre, Turin, Genoa, and Savona, while among those already finished we might mention the 4-Mw plant in Reggio Emilia. The plant built at Brescia by ASM remains the reference point for the entire sector; this is the only one that has been in operation for several years. A 44-Mw thermal capacity and 24.5-Mw electric capacity plant is furthermore under construction at Torrino South (Rome) while the district heating project for the Milan metropolitan area stands out because of its particular significance and its size. It should be built in two phases with investments of 2,000 billion lire for the first one and 1,100 lire for the second one, that is, 1980 lire. The project feasibility study indicated the potential users with a figure of 3.2 million equivalent inhabitants (100 cubic meters per equivalent inhabitant).

Geothermia

In the field of geothermia, the output of the basins of Larderello and Monte Amiata in 1981 came to 29.7 million tons of endogenous extracted steam, for an electric energy output equal to 2,664 Gwh practically equal to the 1980 output figure. At the end of 1981, a new condensation group of 8 Mw (Lagoni Rosso 3) became operational at the end of 1981; it replaces an old group which was deactivated in June 1981. The output for the first half of 1982 came to 1,382 Gwh with an increase of about 3 percent over the corresponding period of time in 1980. Drilling activities carried out by the ENEL in 1981 in the areas of Lardarello, Monte Amiata, Travale-Radicondoli, and Cesano resulted in 26,643 meters of drilling. In the geothermal area of Latera, where it operates a joint venture with AGIP, ENEL furthermore drilled 6,038 meters. The probes turned out to be productive for a capacity of about 200,000 tep/yr. In the heat utilization field we must mention projects in progress at Vincenza, Ferrara, Vulcano, and Monte Amiata, while the first geothermal district heating pilot project, prepared by AGIP and SNAM, will serve 2,000 housing units in San Donat Milanese.

District Heading Situation as of 31 January 1982

	2) Impianti Enel	3) Altri	4) Fase
Torino		2 x 7,3 MW	in costruzione 10)
Torino		x	studio 11)
Chivasso	x		studio
Genova 5)	x	x	studio
La Spezia	15 MW		progetto 12)
Vado-Savona	x		studio
Milano 6)	220 MW	110 MW	progetto
Brescia		3 x 30 MW	in esercizio 13)
Brescia		1 x 50 MW	progetto
Piacenza	x		studio
Pavia		x	studio
Mantova		6 MW	studio
Cremona		x	studio
Ostiglia	x		studio
Verona		3 MW	in costruzione
Venezia	15 MW		progetto
Treviso		x	studio
Monfalcone	x		studio
Bassano del Grappa		x	studio
Bologna (inceneritore) 7)		6,3 MW	studio
Parma		x	studio
Reggio Emilia		3 MW	in esercizio
Modena		x	studio
Imola (inceneritore) 7)		5 MW	studio
Ravenna		100 MW	studio[1]
Livorno	x		studio
Pisa		x	studio
Pistoia		x	studio
Piombino	x		studio
Roma 8)		25 MW	in costruzione
Civitavecchia	x		studio
L'Aquila		x	studio
Napoli 9)	x		studio
Foggia		x	studio
Brindisi	x		studio
Varese		x	studio

Key: 1--Steam supply for technological uses; 2--Plants; 3--Miscellaneous; 4--Phase; 5--Genoa; 6--Milan; 7--Incinerator; 8--Rome; 9--Naples; 10--Under Construction; 11--Study Phase; 12--Planning Phase; 13--In operation.

Energy Conservation--Compilation of Incentives Provided for under PEN and Allocations under PNRE (Billions of 1980 Lire)

	1981-83	1984-90	1981-90	PNRE 1981-85
Risparmio: civile 2)	540	1.440	1.980	250
industriale 3)	740	1.660	2.400	400
agricolo 4)	50	50	100	15
trasporti 5)	1.080	1.920	3.000	410
Cogenerazione e teleriscaldamento 6)	150	350	500	--
Totale 7)	**2.560**	**5.420**	**7.980**	**1.075**
Solare (1) 8)	330	1.070	1.400	265

Key: (1) Including 1,000 billion in incentives for low-temperature application in civilian uses; 2--Savings: Civilian; 3--Industrial; 4--Agricultural; 5--Transportation; 6--Joint Generation and District Heating; 7--Total; 8--Solar (1); PNRE--National Energy Research Plant.

National Energy Plan: Savings and Efficient Use, Compilation of Allocation for Incentives (Billions of 1980 Lire)

	1981-83	1984-90	1981-90	PNRE 1981-85
a) **Risparmio nell'industria** (1) 4)				
Servizio di diagnosi energetiche 5)	3	–	3	
Informazione all'industria 6)	5	8	13	
Programma di formazione di esperti e tecnici sulla gestione energetica 7)	12	12	24	
Progetti dimostrativi e diffusione dei risultati ottenuti 8)	30	30	60	
Incentivi per investimenti di risparmi energetici 9)	690	1.610	2.300	
Sub-totale 10)	**740**	**1.660**	**2.400**	**400**
b) **Risparmio nel civile** 11)	540	1.440	1.980	250
c) **Risparmio in agricoltura** 12)				
Progetti sperimentali e dimostrativi in aziende agricole (2) 13)	20	20 (3)	40	
Diffusione dei risultati ed assistenza tecnica 14)	30	30 (3)	60	
Sub-totale	**50**	**50**	**100**	**15**
d) **Risparmio nei trasporti** 15)				
Sviluppo di prototipi di autovetture e di loro componenti ad alta efficienza energetica e loro prima industrializzazione 16)	500	900	1.400	
Sviluppo di prototipi di veicoli industriali e di autobus e di loro componenti ad alta efficienza energetica 17)	200	350	550	
Sviluppo di componenti per altri mezzi di trasporto (navi, aerei, treni, ecc.) ad alta efficienza energetica 18)	150	320	470	
Miglioramento dell'efficienza energetica del parco delle autovetture, degli autobus e dei veicoli industriali 19)	80	–	80	
Potenziamento del reciclaggio di veicoli fuori uso 20)	90	210	300	
Spese per il potenziamento delle strutture di controllo dell'efficienza energetica 21)	60	140	200	
Sub-totale	**1.080**	**1.920**	**3.000**	**410**
e) **Cogenerazione e teleriscaldamento** 22)	150	350	500	
Totale 23)	**2.560**	**5.420**	**7.980**	**1.075**

Key: (1) The amounts given above include allocations provided under the provisions of Law No 673 and DDL [Draft Bill] No 2383 and exclude those pertaining to the spread of renewable sources; (2) The financial commitment required under this demonstration plan, which will come to 20 billion,

will show up in the budget of the interested ministry as well as agencies already involved in the Plan; (3) Mostly indicative figures, reported for the sake of completeness; 4--(a) Savings in Industry (1); 5--Energy Diagnosis Service; 6--Information for Industry; 7--Energy Management Expert and Technician Training Program; 8--Demonstration Projects and Dissemination of Results Obtained; 9--Incentives for Energy Saving Investments; 10--Subtotal; 11--(b) Savings in Civilian Sector; 12--(c) Savings in Agriculture; 13--Experimental and Demonstration Projects at Agriculture Establishments (2); 14--Dissemination of Results and Technical Assistance; 15--(d) Savings in Transportation; 16--Development of Prototypes of Automotive Vehicles and their Components with High Energy Efficiency and their Initial Industrial Production; 17--Development of Prototypes of Industrial Vehicles and Buses and their High-energy-efficiency components; 18--Development of Components for other Means of Transportation (Ships, Aircraft, Trains, etc.) with High Energy Efficiency; 19--Improvement of Energy Efficiency of Motor Vehicle Pools, Buses, and Industrial Vehicles; 20--Boost in Recycling of Unused Vehicles; 21--Expenditures for Boosting Facilities for the Control of Energy Efficiency; 22--(e) Joint Generation and District Heating; 23--Total.

5058
CSO: 3528/155

EREGLI IMPORT OF PITCOAL FOR COKE PROCESSING

Istanbul DUNYA in Turkish 18 Jun 83 pp 1,7

[Text] The Eregli Iron and Steel Works has invited international bids for coke imports. It was learned that the desired type of coal, which will be used in high-temperature furnaces, is "low volatile content" pitcoal which can be processed into coke.

According to information obtained from Eregli Iron and Steel officials, when the bidding is over, 300,000 metric tons of "low volatile content pitcoal which can be processed into coke" will be imported. The officials said that a preliminary screening of the bidding companies has been completed and that the firms with competence documents have been determined. Stating that the number of bidding firms will be restricted, the officials said that the firms to be allowed to bid must have a minimum annual coal production of 1 million metric tons and that they must have export experience.

The officials commenting on the bidding said that the Eregli Iron and Steel Works had to resort to imports to meet its coke-convertible pitcoal needs in 1981 and that at the end of bidding an agreement to buy coal was signed with four American firms. The officials added that they were forced to invite new bids when one of these firms could not meet its commitment and a shortfall resulted.

In reply to a question on why they are not filling their needs from domestic sources, the officials claimed that the production capacity of the Turkish Coal Works is far short of meeting Turkey's coke-convertible pitcoal needs. They added that the pitcoal produced by Zonguldak Coal Works can fill only 40 to 50 percent of their needs.

Coke-convertible pitcoal trades at $57-58 per metric ton on international markets. Importing the pitcoal from the United States adds another $13 per ton for freight charges. It is thus claimed that pitcoal imports, which amount to 1 million metric tons per year, result in the additional loss of $13 million in foreign exchange.

Avoiding comment on freight costs, Eregli Iron and Steel Works officials said that if the required grade of pitcoal is found they will import it from the closest possible country to save on freight charges. It has been learned that firms outside the United States have also joined the bidding.

9588
CSO: 3554/345

INCREASE IN ECONOMIC RELATIONS WITH IRAN EXPECTED

Duesseldorf WIRTSCHAFTSWOCHE in German 3 Jun 83 p 34

> [Text] For the first time since the Khomeini Revolution of 1979, German industrialists have good things to say about economic prospects in Iran. Large orders are in sight.

When the war against Iraq finally dies down, billions of petrodollars will flow again. Postrevolutionary Iran is preparing itself for a powerful economic upswing which, in the opinion of the DIHT (German Business and Industry Conference) should lead Iran to experience the highest growth rates in the Middle East in the next few years.

Indeed, economic statistics are hopeful: according to the German-Iranian Chamber of Commerce Iran's foreign currency reserves amount to $13 billion including gold. There are no foreign debts. Despite war damage, 3.2 million barrels of oil are pumped per day and 2.5 million of these are exported. The Iranian oil price is $28.50 per barrel and the demand for the coveted Iranian light is on the increase. German representatives in Teheran have observed that economic good sense and stablized personnel relationships have returned to the corridors of power. The government is stepping up its efforts to be bring back technical, industrial and business experts who left home in the postrevolutionary disarray. Expectations of West German firms have been hovering in the meanwhile between subdued skepticism and cautious optimism. Most companies are still holding off purchases although the Teheran government has just published a new five-year plan with a long list of major projects as well as a large number of measures to step up Iraq's small and medium sized industries. It is expected that German executives and entrepreneurs will soon be travelling more often to the land of the Ayatollah: the number of Iranian branches dropped from 270 before the Revolution to about 80 this spring (110 in May, 1980).

"First of all, we are expecting the end of the war," says Ernest A. Bolckmar, business manager of the Aachen heating and ventilation company H. Krantz, which is how he describes the preparations for new commitments by German firms in the Persian Gulf. Many of the former projects are right in the war zone.

Among other things, the outcome of the war will decide which political group will finally be in charge of the nation and its economy. But industrial projects for which bids have already been called, and known projects, show how large the demand has become four years after the Revolution. Ports must be built, airports laid out, twelve new oil and gas fired power plants with an output of 10,000 megawatts built, and a pumped storage plant in Teheran with a capacity of 4 x 250 megawatts erected. The Iranian railroad network is to be fully electrified.

Quietly, German exports to Iran in past years have already stabilized at DM 3.4 billion. The Duesseldorf company Henkel KGaA which built a chemicals plant in the Teheran industrial area shortly before the Revolution began says that business has improved significantly in the first quarter of 1983.

German firms with particularly close connections to the Iranian government share this positive view of future developments which are already recognizable in the medium term. The DIHT pointed out not long ago that German firms should be careful not to miss the boat when the boom starts in Iran. The competition, namely Japan, North Korea, Italy, and Sweden, is already raring to go and the Iranian mentality likes to be courted. The end of the war will, in the estimation of German economists, release a billion marks all at once for imports and investments. Despite the revolution and the war Iran has stayed liquid and has paid its debts: a letter of credit has never been known to bounce unless the Iranian businessman in question has left the country.

No less significant for further development of the Iranian economy is the bridging of the know-how gap. Not only did many engineers emigrate, but the economy is missing four years' worth of graduates. Iran needs foreign technology, but only by improving the structure of its technical training can Iran build a fulcrum for economic reorganization and extend its own capabilities to overcome the total economic dependency of the past.

Iranian government agencies are less and less satisfied with the new business partners who offered their services after the U.S. embassy hostages were taken in November 1979--the USSR and other countries of the Eastern Bloc. In Teheran there's a saying about this phase of policy: "We exchanged our good oil for inferior products."

CSO: 3620/388

TALKS ON RAILROAD FERRY CONNECTION WITH USSR

Frankfurt/Main FRANKFURTER ALLGEMEINE ZEITUNG in German 15 Jun 83 p 4

[Text] Talks on railroad ferry connections between the Soviet Union and a harbor at the Schleswig-Holstein Baltic Sea coast, which have slowed down during the last several months, have gained new momentum. The Schleswig-Holstein Minister for Transportation, Westphal, upon invitation by the Soviet Minister of Maritime Fleet, Guzchenko, and after detailed preliminary discussions with the Federal Minister for Transport, has now discussed this subject, which is important from a traffic policy point of view, in Moscow, Tallin, Riga, and Leningrad. Gruzchenko and Westphal said in a joint memorandum that both sides considered it important to examine the economic, technological and organizational aspects of possibly establishing a common rail ferry connection, in view of the expected increase of goods shipments in bilateral trade. Both sides recommend to their governments to set up a joint working group of experts to analyze these questions. The group will present a joint report to the commission for economic and scientific-technical cooperation of both countries.

After his return to Kiel Westphal said that "there can no longer be any doubt about the great interest on the Soviet side." This also was confirmed by the Deputy Minister of Foreign Trade, Breschujew. Westphal recommends to take up concrete discussions for political preclarification in a time span sufficient so that "results of the commission of experts can possibly be submitted before the end of the year." In that case the chances would be good that the project could be incorporated in the next five-year plan of the Soviet Union. If all goes according to plan, it is the opinion of the Schleswig-Holstein Minister, that traffic could be initiated already in 1987/88. A joint service capability with participation on equal footing is envisioned. According to Westphal, the Soviets would like to place orders for the ferry boats (four ships carrying 100 rail cars each) in the Federal Republic, as well as for part of the harbor installations in the Soviet Union. Total joint investment would be about DM 500 million. "Not all problems have been solved, but we are getting closer to a solution" was the summary by the minister. In the mean time Kiel and Luebeck in Schleswig-Holstein have hopes to become the German ferry terminal of a Baltic Sea rail ferry. The comment by Westphal that "he had the impression that the Soviets possibly preferred Kiel" has already led to reactions in the Lueback economy. The minister however allayed the fears and stated that a definite location was still wide open. The Soviet terminal of the ferry probably would be in Klaipeda (Memel), which also is planned to be the terminal for the projected rail ferry to Ruegen; this project does not affect that planning for a rail connection to Schlewig-Holstein, however.

7994
CSO: 3620/378

INTEREST DIFFERENTIAL REBATE FUND RESTRUCTURED

Istanbul DUNYA in Turkish 18 Jun 83 pp 1,7

[Text] The Interest Differential Rebate Fund has been restructured. As a result, the effect of the new interest arrangements on preferred credit users has been minimized. According to the schedule of payments to borrowers from the Interest Differential Rebate Fund, which has been in effect since 1 January 1983, the interest differential between high-priority loans and general loans has been reduced.

The Central Bank directive on the implementation of the Interest Differential Rebate Fund was published in yesterday's Official Gazette and will go into effect on 1 July 1983. According to the new form of the Interest Differential Rebate Schedule, the fund will only make payments to banks. The credit user will get no support from the fund. The decision taken by Central Bank officials "for simplification purposes" has not produced a significant reduction in the interest load of special loans. Following a meeting held in Ankara on Monday among nine bank administrators, Central Bank Deputy Chairman Ibrahim Kurt announced that the interest rate on investment credits with export guarantees used in high high-priority development areas has been reduced from 29 percent to 19 percent. It has been determined, however, that the interest load on the borrower using such credits has increased from 18.85 percent to 19 percent. The abolition of the practice of paying 35 percent differentials from the Interest Differential Rebate Fund has resulted in an increase in the real cost of credit.

The new interest differential rebate arrangement increases payments from the fund to banks and leaves unchanged the 10-percent deduction paid to the fund by the user of nonspecial credits. Payments to banks have been increased by as much as 7.5 percentage points. There have been no changes in the implementation of the fund with respect to specialization credits given by the Agricultural Bank, Halk Bankasi and Emlak Kredi Bankasi. Meanwhile, the 5-percent fund deduction applied to export credits, other than those for the export of industrial goods and fresh fruits and vegetables, has been abolished.

Rediscount Limits

The interest rates charged by the Central Bank on rediscount and advance payment procedures have also been restructured. There have been no changes in the rediscount interest rates applied to specialization credits given by the

Agricultural Bank, Halk Bankasi and Emlak Kredi Bankasi. A new addition has been made to the rediscount table under the heading "business loans", and it is envisioned to rediscount the interest rate on such loan bonds to 28.75 percent in high-priority development regions and 31.25 percent in other regions provided that such loans are accompanied by incentive documents. Previously, the general rediscount rate of 33 percent was applied to such loans. The new Central Bank arrangement brings no changes to the rediscount rates applied to the half-used investment and business loans given by the State Industry and Worker Investment Bank.

Rediscounted Export Credits

Meanwhile, according to a directive by the Money and Credit Council published in yesterday's Official Gazette, the interest rate on loans given to exporting capital firms and for exports aimed at the free foreign exchange market has been increased from 24.25 percent to 26.5 percent. The interest rate on such loans, which are classified as special loans, was set at 24.25 percent by the Money and Credit Council on 31 December 1982. The new decision will apply to all loan balances after 1 July.

Interest Cost to the Borrower on Loans with Payments to the Borrower from the Interest Differential Rebate Fund (percent)

	Old	New
Loans for exports of industrial goods and fresh fruits and vegetables	26.775	26.50
Medium-term loans with export guarantees to be used in high-priority development regions	18.85	19.00
Loans for shipbuilding, shipbuilding installations and ship imports with guaranteed foreign exchange income	23.20	23.00
Investment loans for high-priority development regions	20.30	20.00
Investment loans for other regions	32.30	33.00
Business loans for high-priority development regions	34.85	33.00

9588
CSO: 3554/343

TACIROGLU ON OPEN-CLOSED ECONOMY, INTEREST RATES

Istanbul CUMHURIYET in Turkish 19 Jun 83 p 9

[Interview Ali Zafer Taciroglu, Deputy Chairman of the Economic Development Fund, by CUMHURIYET correspondent Osman Ulagay]

[Text] Ali Zafer Taciroglu was born in 1943. He is a graduate of Kabatas Lycee and the School of Economics of Istanbul University. He specialized in cheese manufacturing overseas. Taciroglu, who used to be the Deputy Executive Council President of the Istanbul Chamber of Commerce [ITO], is currently an assembly member in both ITO and the Istanbul Chamber of Industry [ISO]. Taciroglu is also the Deputy Chairman of the Economic Development Fund.

Question: Honorable Taciroglu, certain uncertainties recently observed in business circles was also voiced at the latest assembly meeting of the ISO. Following the government's recent decision in connection with interest rates, you and other members of the ISO Assembly were critical of the uncertainty in the direction of the economic policy that is being implemented. Why did you find that necessary?

Taciroglu: Turkey has not been able to overcome its dilemma about choosing between two economic alternatives. One of these alternatives is a closed economy and the other one is an open economy. One is a regulated economy; the other is a free economy. If you can make a clear choice between the two and implement it seriously you may achieve success. If you try to mix the two, then it is impossible to succeed.

Question: Were not the 24 January 1980 decisions and the implementation of those decisions an indication that a choice was made on this issue?

Taciroglu: We keep talking about the 24 January decisions. 24 January is only a date. The measures taken on that date contained only an indication of intent. Those decisions could neither insure a transition into an open economy nor were the beginning of a doctrinaire movement. But these measures made such an impression on the public that people started hoping that the worker will earn in proportion to his achievement, strength, productivity and intelligence, that the government will not intervene in this process and that the source of profits will shift from the government to creativity. For example, the real reason behind the success achieved in exports is this hope; the incentives provided are only secondary to this hope.

Question: In other words, you are saying that this psychological factor is important.

Taciroglu: In my opinion, it is very important. To be able to utilize this psychological factor effectively, it is necessary to understand the structure of Turkey and the Turkish people. In seeking models for Turkey, a model that is compatible with Turkey's character must be chosen and not a ready-made model from abroad. In implementing measures, the correct course must be chosen and the right amount must be applied. For example, in agriculture if you subsidize the producer too much he will not compete and if you subsidize him too little his output will fall. Therefore, in making your decision, you must understand the situation of the farmer very well. Our farmers and our people have a strong confidence in gold as a result of their experiences and the common sense they have acquired over the years. Since the exact reason behind this phenomenon is not very well understood, no one is able to put the gold held by the people into circulation. The high interest rates that we had constituted an effort to encourage the people to invest their money in another direction and was important in that sense.

Question: How would you evaluate the latest decision about reducing interest rates from this perspective?

Taciroglu: This problem began with the brokers' incident. The Kastelli incident dealt a second blow, and when the chief architect of the 24 January decisions left office people started to get the impression that the policy had failed.

Question: I would like to ask the following: Do not the brokers' incidents that you mentioned and the developments that followed it indicate that there was something wrong with this high interest rate policy?

Taciroglu: This issue must be viewed as a whole. I think that the introduction of high interest rates in July 1980 was a mistake and that what is being done today is also a mistake.

Question: You said that the introduction of high interest rates in July 1980 was a mistake. What was the mistake then?

Taciroglu: At that time I was concerned that this decision for high interest rates could cause a shock in the business world. It takes time for the business world to understand, learn and endorse a measure and to adapt itself to that measure. Therefore, it is important to caution, prepare and persuade the business world about measures that are to be introduced. If you put before the business world twenty-page documents every now and then and tell them "these are the things we are encouraging", then no one will really be encouraged. Now if you raise interest rates overnight, as was done in July 1980, even the well-meaning industrialist who wants to pay his debt to the banks will become unable to pay it. If the majority is facing such a problem, then the business world starts acting with the mentality of collective crime like students do in schools. The businessman starts thinking, "they cannot punish us all, they will find a way" and does not pay his debt to the bank. The industrialists fell into that position and began waiting for the day when they would be collectively rescued. The

industrialist with no exports is still waiting for that day. In my opinion, if a more flexible approach was adopted in taking this decision in 1980 and if some open doors were left we would not be where we are now. For example, if the industrialist was given the chance to pay his debt in six months or if regular debt-payers were allowed to continue to pay at the old rate or if interest rates were raised gradually, this measure would not have had the shock effect it had and would not lead to undesirable results.

Question: Why do you think that the latest decision and the manner in which it was taken is a mistake?

Taciroglu: I would like to primarily dwell on a few points. Here what is important is that the people must be told what the real interest rate is and must be made to believe that it is a reasonable real interest rate and the industrialists must be made to pay a real interest rate. The banks, on the other hand, must learn to turn a profit while paying real interest rates to depositors. Intervention in interest rates without doing these is, in my opinion, meaningless. Furthermore, determining interest rates in this manner indicates that the government itself supports cartel agreements. If the banks can fix the interest rates as a cartel then why should battery or tire manufacturers not form a cartel? The Minister of Finance says: "There are pirate banks." If we are going to have an open economy, then the people must learn this. Anyone who wants to get higher interest must be allowed to take the risk and deposit his money in these pirate banks, and anyone who wants security must settle for a lower interest rate. The government must not decide where the citizen should deposit his money at; the government must only take measures to prevent the citizen from being swindled. The government must prevent a bank which is in no condition to attract depositors from advertizing in papers to give the wrong impression to the people, but it must not go beyond that. This issue does not concern just interest rates. For example, if a municipal official will determine the price of tomatoes, then everyone must buy tomatoes at that price. Interventionism is coming back to every level of the government, and I think that is worrisome.

Question: Apparently this is what is causing uncertainty in the business world.

Taciroglu: This uncertainty has recently grown to such proportions that everyone can see it. Although it is often said that the 24 January decisions for transition into an open economy are still in effect, government intervention in the economy has assumed such proportions that it is hard to believe such statements. I would like to see the administrators who say that these decisions are still in effect to see them in practice personally and to deal wtih the difficulties that have been raised. Let them try to benefit from an export incentive or to get credit from bank or to get through formalities in a government office. This mentality of intervention has always been there, but at least for some time we knew that economic policymakers intended to bring that situation to an end and we thought the struggle was worth it. Now that too has changed. It seems that we are returning to the time of expecting profits, appropriations and permission from the government. Once again, the one who gets the the permission from Ankara will start making money. It will no longer be necessary to struggle in the deserts of Saudi Arabia or elsewhere. The winner will be the one wins the struggle in Ankara. I think that such a situation would be objectionable from a perspective of transition to democracy.

Question: Could you elaborate on that point a little bit more?

Taciroglu: Democracy is an open regime. A closed economy within such a regime always causes incompatibilities and the political system frequently breaks down. If we will have an open regime, political cadres will be interested in the macro problems of the economy and will go to the parliament to solve these macro problems. However, if the government is the source of profit then this system will degenerate. If the government is the source of profit and if the path to the government is the parliament, then whose who want to gain influence in the government will try to get elected to the parliament. In a closed economy, it is very hard to prevent people who want to further their own interests from making a bid to get elected to the parliament and intervening in the economy on detailed issues. You can see examples of this situation from the appointment of clerks and directors to the State Economic Enterprises to the lobbying for appropriations. This, of course, is damaging the political system and democracy.

Question: Are there any other issues about which you feel concerned and dubious as a member of the business community?

Taciroglu: Firstly, there are problems in the administration of Turkey's economy. We have seen what can be under a good administration, but today we are stepping away from that point and an open economy. Secondly, the indicators are not encouraging. In my opinion, the figures for 1982 are not as good as those for 1981. Figures for 1983 will not be as good as those for 1982. The fact that our exports have frozen at the $6-billion level instead of $2 billion does not mean much. What is important is that they are frozen. The export incentive program has erroneous aspects and is inadequate and sometimes more than necessary. Exporting is not a science but an art, and what is important is implementation and not the incentives on paper. These are all different facets of the same situation. I repeat: If we are forced to struggle in Ankara instead of foreign markets we will never achieve the results we want.

9588
CSO: 3554/343

ALL PARTIES CALL FOR FREE UNIONIZATION

Istanbul TERCUMAN in Turkish 28 Jun 83 pp 1,10

[Article by Olcay Kucukoncu; passages enclosed in slantlines printed in boldface]

[Text] ANKARA (TERCUMAN) - In the new parties' programs /"free unionization"/ has its place in the section concerning labor as a fundamental principle.

The MDP [National Order Party], the Ana P [Motherland Party], the SODEP [Social Democratic Party] and the HP [Populist Party] agree in their views that, through an implementation which will not harm the aims of the workers nor those of the employers, union activities will play an important part in economic development.

Healthy Unions Reinforce Democracy

In the MDP program which accepts free unionization as a fundamental principle, the following views concerning labor are expressed:

/"We want union activities to be carried out in a responsible manner, in order to increase the national revenue and to help in development projects. We believe unions to be an important element from the perspective of creating secure working conditions, increasing productivity, regulating salaries and working conditions, ensuring professional solidarity and building up social well-being. The workers having the possibility of resorting to strikes and the empoyers to lockouts, means the establishment of a fair balance. We believe in the necessity of developing some procedures that will prevent the priviliges of strike and lockout from being used in defiance of the rules of good faith, from being on such a scale as to be detrimental to society and to workers and destroying the national capital."/

There Must Be a Balance of Power Between Labor and Capital

In the SODEP program, it is emphasized that special importance is given to workers' organizations. However, the question of lockouts has no place in the program. The SODEP program's section on unions is as follows:

/" Our Party believes that unions play an important part in ensuring social reconciliation. The union movement, which embraces a working sector that numbers millions in Turkey, rests on a broad basis at the level it has reached today. The party considers as important, from the standpoint of the concretization of democracy and the increase of democratic consciousness, the efforts of those who work in society and who join democratic unions, of their own free will to protect their economic and social rights. In the matter of union rights and

freedoms, reaching the degree attained by pluralistic democratic nations is viewed as one goal of contemporary union development."/

Instead of Strife, By Negotiations

In the Motherland Party program, the view that /"Working life which proceeds in an equitable and stable manner is both the measure and the guarantee of a society"/ occurs. Some sections of the program related to labor are also as follows:

/"The aim of both workers and employers must be to work towards the same goal, for mutual rights and obligations to rest on equitable principles, to prefer the path of negotiations instead of strife in solving problems. If efforts are made in that direction, patriotic and sensible workers and employers will have chosen the best road to promoting labor reconciliation and permanence and consequently the road to social and economic progress."/

The Protection of Workers' Rights

The views of the Populist Party, which declared it will strive to obtain for workers the freedom to pursue unionization, are also as follows:

/"The party will be primarily concerned with the workers using their constitutional and democratic rights. It will work towards taking measure which will enable unions to act under more democratic terms. And efforts will be made to grant workers the right to chose unions. The protection of the workers' economic interests and keeping those interests uppermost, is among our aims."/

12278

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SIRMEN SCORES FRG, FRENCH SMEAR OF TURKISH WORKERS

Istanbul CUMHURIYET in Turkish 5 Jul 83 p 3

[Article by Ali Sirmen in the column "In the World Today": "What is Right is Right, What is Wrong is Wrong"]

[Text] The incidents which occurred in the small town of Bourganeuf, in the Creuse province of Central France, show that the "racist attitude" seen in some European countries where our workers are employed and particularly in the Federal Republic of Germany, has also spread to France.

There is no doubt that what happened is very grievous and alarming. It is known that behind such occurrences there are cheap demagogues, generally known for their irresponsible policies, and a variety of confused people.

These events which occurred in France have gained a more acute significance by virtue of their coinciding with a period during which our relations with that nation are greatly strained.

It is very natural for the Turkish government to make a demarche to France, to prevent such attacks directed against its citizens, who struggle for survival by selling their services abroad. We all have the right to ask France, which brings time and time again the subject of human rights to the agenda, to take serious and energetic measures, contrary to what has been happening until now in the case of such events.

At this point, we also want to emphasize that developments which afford hope have emerged with regard to those deplorable occurrences. First of all, the Bourganeuf mayor warned authorities on time, as to the negative climate "which was arising against the foreigners in the borough" and of the incidents likely to occur, and he asked them to take the necessary precautions. Mayor George Neyret was not content with this but spoke of the Turks who worked in his town, saying that "If they had not come, we would have been in a very difficult position . We had to do something about this situation as soon as possible. And we lacked the necessary manpower. Furthermore, there were not too many applicants among the French for this exhausting job which did not bring too much money." And he mentioned the devotion of the Turkish workers to an ill paid and very difficult job, showing thus his open heartedness by siding with them.

Together with his stand, the small town's clergymen also reproved the racist attitude and appealed to feelings of brotherhood.

French papers like LE MONDE and LIBERATION also showed great sensitivity to the occurrence and voiced their stern disapproval.

Generally speaking, the fact that public opinion adopted a disapproving attitude toward the events and demanded that authorities take measures is positive.

It is necessary here to clarify a point for the sake of fairness:

In the Federal Republic of Germany, where there is a concentration of Turkish workers and where a strong racist current against them has developed, both in the press and in other sectors of public opinion there are many people who are fighting the anti-Turkish campaign and who strive to protect the rights of Turkish workers; such people are prodding public opinion to act against racist behavior, through their writings, demonstrations, meetings and lectures.

Under the circumstances, if we too do not want to fall into the trap of a crude racism, we must take into consideration the differences in behavior among the people of countries where acts of aggression against our fellow citizens are seen and we must avoid branding them racists as a whole. Quite on the contrary, it will be fitting, when we attack repulsive behavior in those nations to emphasize always the existence of that sector of public opinion which, like us, condemns such behavior. Besides, we are convinced that there are countless benefits in our officials, who are in such countries, establishing contacts with individuals, groups and organizations which oppose racist acts in their own land directed against Turks.

The reaction resulting from the actions directed against our fellow citizens in the French borough of Bourganeuf, both at the borough level and at the national level, is a factor that ought to be viewed as positive. Unfortunately, it is a pity that we are not yet in the position to be able to say that this positive reaction has reached a truly suitable level, that of the government, and that in the face of such actions adequate deterrent measures were taken.

Our wish is that, as the reaction of public opinion materializes in the form of concrete energetic measures at the government level, it should gain a wider scop that will also embrace the Armenian acts of terrorism.

Otherwise, if such events occur, the French nation will suffer damage from that situation as extensive as our own fellow citizens and representatives.

12278

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SUNALP INTERVIEWED ON POLITICAL MOTIVATIONS

Istanbul CUMHURIYET in Turkish 9 Jun 83 pp 1, 7

[Article by Ahmet Tan on 8 Jun 83 interview with Turgut Sunalp at CUMHURIYET offices]

> [Text] Nationalist Democracy Party [MDP] General Chairman Turgut Sunalp reaffirmed that he had "not formed a party under orders." Asserting that the nation is fundamental and must not be divided, Sunalp said, "Are we old senior generals to ignore the experience we have gained through all these years and salute the 30- and 40-year-old men going around establishing parties, telling them, "Yes sir, Field Marshal, sir, I am with you"?
>
> Denying claims that President Evren favored his party, Sunalp said, "If anything, our party favors the distinguished president." Sunalp said they would make the MDP "a civic party" if he remained at its head.
>
> The legal status of party founders vetoed by the National Security Council is under debate. Vetoed founders may retain their party membership and may run for national deputy. These members may not serve in party headquarters or on executive boards.
>
> The MDP has set up an office in Izmir and is designating Izmir provincial administrators. The Fatherland Party will have 30 provincial organizations initially.

Ankara -- Journalists are enjoying a significant "luxury" at this time: Political party leaders are visiting newspaper offices, bringing their news by their own hand, or should I say, mouths.

It is a great pleasure for journalists to see on their own doorsteps those whom in the future they will be hounding "for a little news" -- the party general chairmen, or more technically, the future prime ministers and opposition leaders.

The most recent to enact this pleasure for the CUMHURIYET Ankara Bureau was Nationalist Democracy Party leader Turgut Sunalp Pasha. Accompanying Sunalp yesterday morning were General Secretary Dogan Kasaroglu, Deputy General Secretary Ertan Karasu and press advisor Faruk Taskiran.

There have always been two ways by which, as a journalist, one might explore making a political leader happy. The first is to report the leader's views in general terms, and the second is not to criticize (or praise, if possible)...

The views that Sunalp espressed outside of some small talk to "break the ice" would go something like this:

--Are we old senior generals to push aside the experience we have gained through all these years and salute the 30- and 40-year-old men going around establishing parties, telling them, "Yes sir, Field Marshal, sir, I am with you"?

--If there is division in a flank, it is these who make division a way of life. Say there is a field. It is divided when there are two partners. If there is a third partner, it is further divided. The nation cannot be made a floor to be partitioned into separate rooms. The nation is the foundation. It must not be divided.

--I have not established a party under orders. I, as well as all the other founding leaders, am in touch with the President. It is claimed that President Mr Evren favors our party. This is not true. The President is impartial. The Constitution says so. If anything, it is that our party favors the distinguished president.

--President Mr Evren talked for 15 minutes with Mr Erdal Inonu and with me for a few hours, and there was an attempt to make this the hub for a lot of misinterpretations. If I explained to the President our party formation efforts province by province and district by district and the other party leaders kept their discussions with him short and to the point, this would be the reason for that.

--If I stay at the helm of the party, our party will become a civic party.

--Don't think of me as a 67-day politician. I have gained 2 years' experience in 67 days. Also, I have been directly involved in politics and the political environment throughout my career as both a soldier and a diplomat.

--The story of visiting Mr Celal Bayar is like so: The reason I visited this 102-year-old man whom we honor and respect is that I see him as a "reminder of Ataturk." Exploiting Bayar would be improper; he deserves every respect. It is necessary to take advantage of the more than 75 years of political experience that Mr Bayar has. I may say that his mind works as well as mine. He is a "natural wonder."

When Sunalp Pasha used the word "hilkat" for "natural," General Secretary Kasaroglu swallowed his sip of tea in a gulp, afraid he was going to use the well-known Ottoman expression in reference to Bayar. After a pause of 3 or 4 seconds, however, Sunalp Pasha, with a facility for "turning a phrase" picked up during his brief period as a diplomat, smoothly converted waht he had almost said into an eloquent expression.

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INONU CONTACTS WITH MDP, HP, ANAP LEADERS

Istanbul CUMHURİYET in Turkish 9 Jun 83 pp 1, 7

[Text] Ankara (CUMHURIYET Bureau) -- Social Democracy Party [SODEP] General Chairman Erdal Inonu held separate talks yesterday with the heads of the Nationalist Democracy Party [MDP], the Populist Party [HP] and the Fatherland Party [ANAP], in that order.

Inonu and SODEP General Secretary Ahmet Durakoglu went to the MDP headquarters at 0900 hours yesterday. MDP General Chairman Turgut Sunalp, who arrived at party headquarters a few minutes after Inonu, met his guests at the door. MDP General Secretary Dogan Kasaroglu, Deputy General Chairman Musa Ogun and Deputy General Secretary Ertan Karasu also sat in on the 20-minute meeting. Erdal Inonu said as he was leaving the meeting:

"I think it is very important for political parties to be civil towards each other to have a healthy democracy. My visit here is a first step in this direction."

Turgut Sunalp said he agreed with Inonu but they did not have much time to talk.

As Sunalp was telling Inonu good-bye, he said their "general headquarters building seems small" and they "are looking for a new building."

Erdal Inonu and Ahmet Durakoglu called on Populist Party General Chairman Necdet Calp at 1000 hours.

As the two general chairmen chatted prior to the meeting, Inonu said, referring to how busy the newsmen were, "The reporters are having a field day today." When Necdet Calp replied, "Every day is a field day for them," Erdal Inonu was quiet for a moment, then added, "They work too hard."

Niyazi Araz, Rahmi Tuncagil, Kemal Aydar and Ozer Gurbuz from the Populist Party were also present at the Inonu-Calp meeting.

After the meeting, which lasted approximately 20 minutes, Erdal Inonu said he was paying calls so that civil relations could be established among the political party leaders, as a requirement of healthy democracy.

Asked whether the topic of combining with the HP had been taken up during the meeting, Inonu replied, "This is a courtesy call."

Necdet Calp said he had nothing to add to what Erdal Inonu had said and when asked whether there would be a case of working together, he answered, "Today's visit is a courtesy call. I cannot make guesses about the days ahead."

Noting also that they had not agreed to meet again, Calp added that he would be returning Inonu's visit very soon.

Ozal Visit

Erdal Inonu called on Turgut Ozal, general chairman of the Fatherland Party, at 1100 hours.

This conversation took place between Turgut Ozal and Inonu prior to the meeting, which was also attended by Veysel Atasoy, Nejat Eldem and Mukerrem Tascioglu from ANAP:

Ozal: We taught on the same faculty. I was working part time between 1960-1962. Erdal Bey was a professor then.

Inonu: We have many happy memories. We also worked together at TUBITAK [Turkish Scientific and Technical Research Organization].

Ozal: Yes, we worked together at TUBITAK. We worked for a while with Mr Cahit Arf, too. We have been talking about our former friendship. Our former friendship will continue.

Inonu: Our being in different parties will not affect our friendship.

Ozal: We are also neighbors...from Malatya.

Inonu: Yes. It may pit us against each other in the elections.

Ozal: Have you ever been to Malatya?

Inonu: A few times.

Ozal: Malatya is growing fast. God willing, we can do a lot together there.

Inonu: For the whole country.

Executive Board Met

The Social Democracy Party's Central Decision-Making and Executive Board met yesterday afternoon at 1500 hours, continuing its endeavors towards provincial organization.

Inonu Comes to Istanbul

SODEP General Chairman Erdal Inonu will be coming to Istanbul today. He will reportedly visit the newspaper offices tomorrow.

8349
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'MCCARTHYIST-COMMUNIST' DUEL SEEN AS THREAT TO DEMOCRACY

Istanbul CUMHURIYET in Turkish 19 Jun 83 pp 1,11

["Observation" column by Ugur Mumcu: "Enemy Twins"]

[Text] There are many individuals in our country who promote themselves as "nationalists and conservatives" and who say that they are "anticommunists" as a result. Some of these individuals say that almost all leftists "get their instructions from Moscow." There are also those who will go as far as saying that the anticommunism and anti-Sovietism of these individuals is a psychological disease called "paranoia" in medical jargon.

Accusing all non-rightist ideas of being communist is generally known as "McCarthyism." McCarthy was a U.S. senator who started a storm of terror in the aftermath of World War II charging that communists had infiltrated all the organs of the government. Since then "McCarthyism" has come to mean more than the name of a U.S. senator and has begun to be used as a general term for anticommunist policies.

Circles which we will call "Turkish McCarthyists" believe that all leftist and socialist intellectuals in this country "are manipulated by the Soviets" and try to make everybody believe this allegation. These are Turkish-style "McCarthyists."

There are also views which explain social and political events in terms of a "conspiracy" theory. According to these views, social events and developments, revolutions and coups occur as a result of suspicious acts and secret organizations. The "conspiracy theory" views events suspiciously within the framework of these acts.

If the "McCarthyist" viewpoint is combined with the "conspiracy theory", all events around us can be linked to communism and the Soviets.

These circles claim, sometimes believing and sometimes being made to believe, that "all leftists are governed from Moscow" and that all terrorist acts, rightist or leftist, are also planned by Moscow.

European-style "McCarthyism" sees Turkey "in the sphere of influence of the Soviets" and equates anticommunism with "anti-Sovietism" as a "cold war tactic."

The McCarthyist viewpoint has a single goal: to prove that the entire Turkish left is governed from Moscow. Social democrats, democratic socialists, Ataturkists, progressives and all individuals, groups and organizations who are not rightists are put in the same basket, and a common address is found for all of them:

"Moscow."

Meanwhile, a small minority on the Marxist left endorses the official ideology of the Soviets. This minority hails the Soviet Union as the "fatherland of socialism" and integrates its views with the official Soviet ideology. In this minority there are those who embrace this official ideology like religion without disputing anything about it. Among some, this condition has established itself as an ideological, or perhaps more than that, as a blindly "platonic" feeling and line of thought. Among these, there are also those who are "organically" tied to the Soviet-governed communist party in the name of international solidarity. These individuals may have both "ideological" and "organic" ties.

Such individuals are a minority not only in the Turkish left but among the Turkish Marxists. However, as a result of a certain "fetishism" arising from the fact that they are "illegal", they try to show themselves as more numerous and more powerful than they really are. Their sole goal is to show all social democrats, democratic socialists, Ataturkists and progressives in Turkey within their own ideological sphere of influence.

Just as the "McCarthyists" try to show that all progressive thoughts and currents in Turkey are tied to Moscow, for very different reasons, this minority has become used to showing the same progressive mass as being under the influence and guidance of Moscow.

A parallelism can be seen between the fascist and McCarthist circles in Turkey and those who have tied themselves to Moscow's official ideology in the name of "proletarian internationalism." Both of them are utilizing the Soviet factor: one in accusing the Turkish left and the other in defending its own faction. Thus, the reason of existence of the Turkish Communist Party [TKP] and its fraudulent propaganda are providing political ammunition for the McCarthyists.

In our time, socialism has two major problems. One is the issue of democracy. Socialism must take root in only a pluralist democracy and a multiparty system. The second problem is that of independence. The only sources of power and security for socialist parties are the worker class and other working social classes. This is the only way international peace can be secured. The issues of democracy and peace cannot be considered separately from the issue of independence.

Defending Turkish socialism as part of a party that is an indivisible component of the Soviet state machinery is nothing but disrespect and humiliation for the Turkish worker class, other working classes and intellectuals who support socialism.

Those who support multiparty democracy and democratic socialism in Turkey will sooner or later destroy this inevitable partnership between "McCarthyists" and TKP supporters and will show to friends and foes the virtue and the pride of relying only on the people.

9588
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ILICAK PRAISES MILITARY IMPARTIALITY, EYES OPPORTUNISTS

Istanbul TERCUMAN in Turkish 19 Jun 83 p 1

[Editorial by Nazli Ilicak: "Impartiality"]

[Text] We heard with pleasure that Honorable [President] Evren will step down as the Chief of the General Staff. As he has himself stated several times, politics is reserved for civilians. "The army must not entangle itself in politics."

The conditions that necessitated military intervention are now almost gone. Well-trained civil cadres have formed political parties and are waiting for the elections with the excitement of taking over the government.

The fact that our higher-level military administrators are trying to remain impartial with the awareness of the drawbacks that may result from intervention in the political life is praiseworthy. This is the most correct path. Because supporting a party may mean sharing that party's failures and mistakes. Furthermore, the army is part of the Turkish nation; it may have individuals with different political views. There may be sympathies for different political parties. Thus taking a stance in favor of one party may have divisive effects, such as another army faction supporting another party. The bitter experiences of the past are a treasure to be valued. The efforts of the Union and Progress Party to win the army's support for themselves is now considered the chief cause of the [Ottoman] defeat in the [first] Balkan War. Ataturk's sensitivity about not mixing the army in politics was rooted at this point.

Similarly, showing the army as supporting a certain political party in 1960 did not help anyone.

Despite the unambiguous stance taken by the Honorable Evren and members of the National Security Council to remain impartial, we feel that certain politicians are trying to gain influence by creating the impression that they are supported by the 12 September team. Political efforts aimed at upsetting the impartiality about which we are all so sensitive and killing every new proposal at the moment it is made will not help their perpetrators.

We see the Honorable Evren's announcement that he will shed his uniform as an indication of the armed forces moving away from politics and therefore as an important step toward impartiality.

The army, whom the whole nation embraces with respect and affection and to whom it trusts its homeland, its life and its property, is of course not appropriate for the political arena where for each sympathizer there is an opponent and where rivalries and arguments are always present. It is pleasing to see that the army is acting with this awareness.

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